

CIRCULAR DATED 27 AUGUST 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN DOUBT AS TO THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

Unless otherwise stated, the capitalised terms on this cover are defined in this Circular under the section titled "Definitions".

If you have sold or transferred all your Shares in the capital of Del Monte Pacific Limited ("Company" or "DMPL") held through The Central Depository (Pte) Limited ("CDP"), you need not forward this circular with the notice of general meeting and proxy form to the purchaser or transferee as arrangements will be made by CDP for a separate circular with the notice of general meeting and proxy form to be sent to the purchaser or transferee.

If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should forward this Circular, the notice of general meeting and proxy form immediately to the purchaser or transferee or to the stockbroker, bank or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

Neither the Singapore Exchange Securities Trading Limited nor the Philippine Stock Exchange, Inc assumes any responsibility for the correctness of any statements made, reports contained or opinions expressed in this Circular.



DEL MONTE PACIFIC LIMITED

(Incorporated in the British Virgin Islands with limited liability)

CIRCULAR TO SHAREHOLDERS
in relation to

**THE RATIFICATION OF THE SALE OF ISSUED AND PAID UP ORDINARY SHARES IN
DEL MONTE PHILIPPINES, INC, AN INDIRECT SUBSIDIARY OF DEL MONTE PACIFIC LIMITED,
TO SEA DINER HOLDINGS (S) PTE. LTD.**

IMPORTANT DATES AND TIMES

Last Date and Time for Lodgement of Proxy Form	:	15 September 2020 at 10:30 a.m.
Date and Time of General Meeting	:	17 September 2020 at 10:30 a.m.
Place of General Meeting	:	The General Meeting will be held by way of electronic means

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DEFINITIONS

In this Circular, unless the context otherwise requires, the following terms or expressions shall have the following meanings:

“Act” or “Companies Act”	:	The Companies Act (Cap. 50) of Singapore, as may be amended, varied or supplemented from time to time
“Agreement”	:	The Share Purchase Agreement entered into between the Company, CARI, DMPI and the Investor for the sale of DMPI Sale Shares dated 24 January 2020, as amended and supplemented by the Supplemental Agreement
“Bluebell”	:	Bluebell Group Holdings Limited
“Board” or “Board of Directors”	:	The board of directors of the Company as at the date of this Circular
“Call Option”	:	A call option which gives the Investor the right to buy from CARI additional Option Shares, as described in Section 6.4(i) of this Circular
“CARI”	:	Central American Resources, Inc, an indirectly wholly-owned subsidiary of DMPL
“CDP”	:	The Central Depository (Pte) Limited or its nominee(s) as the case may be
“Circular”	:	This circular to Shareholders dated 27 August 2020
“Company”	:	Del Monte Pacific Limited, the shares of which are listed on the Main Board of the SGX-ST and PSE
“Completion”	:	The completion of the Disposal
“Completion Date”	:	20 May 2020, being the date of completion of the Disposal
“Consideration”	:	The aggregate consideration for the sale of the DMPI Sale Shares of US\$120 million (approximately S\$170 million)
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued Shares (unless the SGX-ST determines that such a person is not a controlling shareholder of the company); or (b) in fact exercises control over the Company
“Default Redemption Amount”	:	The amount with which the Company may be required by the Investor by written notice to redeem any or all of the RCPS held by the Investor, and which would provide such holder generally (except for the certain exceptions in the Shareholders’ Agreement) an internal rate of 12 per cent, in each case as at the date on which the redemption actually occurs, as described in Section 6.4(g) of this Circular
“Directors”	:	The directors of the Company as at the date of this Circular

DEFINITIONS

"Disposal"	:	The sale of DMPI Sale Shares to the Investor pursuant to the terms and conditions of the Agreement
"DMPI"	:	Del Monte Philippines, Inc, an indirect subsidiary of the Company
"DMPI Sale Shares"	:	Being 335,678,400 DMPI Shares (representing 12% of the total number of DMPI Shares) sold to the Investor under the Agreement
"DMPI Shares"	:	The ordinary shares of PHP1 par value each in the issued share capital of DMPI
"DMPL Group"	:	The Company and its subsidiaries
"Exit"	:	An IPO, trade or private sale of DMPI Sale Shares
"EPS"	:	Earnings per share
"FY2020"	:	Means the financial year of the Company ended 30 April 2020
"GM"	:	The general meeting of the Company
"Investor"	:	SEA Diner Holdings (S) Pte. Ltd.
"IPO"	:	Initial public offering
"Latest Practicable Date"	:	21 August 2020, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	:	The Listing Manual of the SGX-ST, as may be amended, varied or supplemented from time to time
"NTA"	:	Net tangible assets
"NAPL"	:	NutriAsia Pacific Limited
"Notice of GM"	:	The Notice of GM as uploaded to the Exchanges and the Company website
"Option Period"	:	Such period for the exercise of the Call Option, as described in Section 6.4(i) of this Circular
"Option Shares"	:	Additional DMPI shares of up to 41,959,800 DMPI shares, as described in Section 6.4(i) of this Circular
"Ordinary Resolution"	:	The ordinary resolution as set out in the Notice of GM
"Proposed Public Offering"	:	A proposed public offering in the Philippines by way of (i) the sale of some DMPI Shares to the public in the Philippines, and up to a percentage (as determined by the Board) of those DMPI Shares to persons outside the United States in reliance on the applicable legislation in the United States; and (ii) the listing of all DMPI Shares on the PSE

DEFINITIONS

"PSE"	:	The Philippine Stock Exchange, Inc
"RCPS"	:	Redeemable convertible preference shares
"Securities Account"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
"Second Supplemental Agreement"	:	The second supplemental agreement dated 30 July 2020 entered into between the Company, DMPI and the Investor, as described in Section 1.5
"SFA"	:	The Securities and Futures Act (Cap 289) of Singapore as may be amended, varied or supplemented from time to time
"SGX-ST" and "Exchange"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	The registered holder/holders of the Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
"Shareholders' Agreement"	:	The shareholders' agreement dated 24 January 2020 entered into between CARI, the Investor, Company and DMPI in relation to DMPI, as amended and supplemented by the Supplemental Agreement and the Second Supplemental Agreement
"Shares"	:	The ordinary shares of the Company in issue
"Subsidiary"	:	A corporation which is deemed to be a subsidiary of another corporation within the meaning of Section 5 of the Companies Act
"Substantial Shareholder"	:	A person who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
"Supplemental Agreement"	:	The supplemental agreement entered into between Company, CARI, DMPI and the Investor dated 30 April 2020 to, <i>inter alia</i> , vary the Agreement such that the sale relates to the sale of 335,678,400 DMPI Sale Shares (representing 12% of the total number of issued and paid-up ordinary shares in DMPI) to the Investor for a revised Consideration of US\$120 million (approximately S\$170 million)
"Txanton"	:	Del Monte Txanton Distribution, Inc
"United States"	:	United States of America
"Waiver"	:	The letter from the SGX-ST dated 5 December 2019 informing the Company that the SGX-ST has no objection to waiving the requirement for the Company to seek shareholders' approval for the Disposal pursuant to Listing Rule 1014(2) subject to certain conditions, as set out in Section 10 of this Circular

DEFINITIONS

CURRENCIES, UNITS AND OTHERS

"%"	:	Percentage or per centum
"S\$" and "S cents"	:	Singapore dollars and cents respectively
"PhP"	:	Philippine peso
"US\$" and "US cents"	:	United States dollars and cents respectively

The term "Depositor", "Depository", "Depository Agent" and "Depository Register" shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

Unless the context otherwise requires, words denoting the masculine gender shall include the feminine and neuter genders and words denoting the singular shall include the plural and vice-versa. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular shall be a reference to Singapore and Philippine time unless otherwise stated.

Any discrepancy in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, the totals of the data presented in this document may vary slightly from the actual arithmetic totals of such information.

Unless otherwise stated, the exchange rate between US\$ and S\$ as at the Completion Date was US\$1 to S\$1.4166. This exchange rate is used for illustration purposes only and should not be construed as a representation that the US\$ amounts have been, or could be, converted into Singapore dollars at the rate stated, or at any other rate.

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

DEL MONTE PACIFIC LIMITED

(Incorporated in the British Virgin Islands with limited liability)

Directors:

Mr Rolando C Gapud (Executive Chairman)
Mr Joselito D Campos, Jr (Managing Director and Chief Executive Officer)
Mr Edgardo M Cruz, Jr (Executive Director)
Mr Benedict Kwek Gim Song (Lead Independent Director)
Mr Godfrey E Scotchbrook (Independent Director)
Dr Emil Q Javier (Independent Director)
Mrs Yvonne Goh (Independent Director)

Registered Office:

Craigmuir Chambers
PO Box 71 Road Town,
Tortola,
British Virgin Islands

27 August 2020

To: The Shareholders

Dear Sir/Madam,

THE RATIFICATION OF THE SALE OF ISSUED AND PAID UP ORDINARY SHARES IN DEL MONTE PHILIPPINES, INC, AN INDIRECT SUBSIDIARY OF DEL MONTE PACIFIC LIMITED, TO SEA DINER HOLDINGS (S) PTE. LTD.

1. INTRODUCTION

- 1.1 The Company had pursuant to the announcements dated 24 January and 21 May 2020 informed Shareholders of the sale of 335,678,400⁽¹⁾ existing ordinary shares of DMPI, representing 12% of the total number of issued and paid-up ordinary shares in DMPI. The DMPI Sale Shares had been converted into redeemable convertible preferred shares ("RCPS") as of 10 August 2020 (see Section 6.4(a) for more details).
- 1.2 The Disposal constitutes a "*major transaction*" under Chapter 10 of the Listing Manual as the relative figures computed for Rule 1006(b)⁽²⁾ and Rule 1006(c)⁽³⁾ of the Listing Manual exceeds 20%. In connection thereof, the Company has applied for and has on 5 December 2019 obtained a conditional waiver from the Exchange of the requirement to obtain Shareholders' approval for the Disposal under Rule 1014(2) of the Listing Manual. Please refer to Section 10 for more details of the Waiver.

Pursuant to the terms of the Waiver, the Company intends to convene an GM to seek Shareholders' ratification of the Disposal.

Notes:

⁽¹⁾ The terms of the Disposal includes the sale of (i) additional new DMPI shares pursuant to a share adjustment mechanism (up to a maximum cap of 1.33% of the existing total issued share capital of the DMPI shares at the relevant time), the share adjustment formula is detailed in Section 6.4(h) of this Circular; and (ii) up to a maximum of 41,959,800 additional DMPI shares pursuant to a call option (as detailed in Section 6.4(i) of this Circular).

⁽²⁾ Based on the latest unaudited financial statement for the six months ended 31 October 2019, the Group's unaudited consolidated net profits before income tax, minority interests and extraordinary items is US\$20.0 million (approximately S\$28.3 million). Shareholders are to note that this does not factor in the payment of preference dividends amounting to approximately US\$9.9 million.

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

⁽³⁾ The net profits before income tax, minority interest and extraordinary items of DMPI (on a consolidated basis) based on the latest unaudited financial statement for the six months ended 31 October 2019 is approximately US\$41.9 million (approximately S\$59.4 million).

The net profits before income tax, minority interest and extraordinary items attributable to the DMPI shares to be disposed for the different scenarios are:

DMPI Sale Shares (being 12%)	US\$5.0 million (approximately S\$7.1 million)
12% + 1.33%	US\$8.7 million (approximately S\$7.9 million)
12% + 1.33% + 1.50%	US\$9.7 million (approximately S\$8.8 million)

Accordingly, the relative figures computed are as follows:

- (a) US\$5.0 / US\$20.0 = approx. 25.0%
- (b) US\$5.6 / US\$20.0 = approx. 28.0%
- (c) US\$6.2 / US\$20.0 = approx. 31.0%

⁽⁴⁾ The computation for Rule 1006(c) is based on the gross proceeds of US\$120.0 million (approximately S\$170 million) from the Disposal divided by the market capitalisation of the Company of approximately S\$279,930,243 as at 23 January 2020, being the full market day immediately preceding the signing of the Agreement.

The Company's market capitalisation is determined by multiplying the number of Shares in issue, 1,943,960,024 (excluding treasury shares) by volume weighted average price of S\$0.144 per Share on 23 January 2020, being the full market day immediately preceding the signing of the Agreement.

For further details on the computation of the relative figures in respect of the Disposal, please refer to Section 9 of this Circular.

- 1.4 The Company had announced, on 21 May 2020, that the Company, CARI, DMPI and the Investor had on 30 April 2020 entered into a Supplemental Agreement to vary the Agreement such that the Disposal relates to the sale of 335,678,400 DMPI Sale Shares⁽¹⁾ to the Investor for the revised Consideration of US\$120 million (approximately S\$170 million)⁽¹⁾.

Note:

⁽¹⁾ The Agreement (dated 24 January 2020) was originally for the proposed sale of 363,651,600 DMPI shares for a consideration of US\$130 million (approximately S\$175.5 million). The number of DMPI Sale Shares and the Consideration were revised by the Supplemental Agreement.

- 1.5 The Company also announced on 21 May 2020 the Completion of the Disposal and accordingly, the Directors are convening an GM to be held on 17 September 2020 to seek the Shareholders' approval for and ratification of the Disposal pursuant to the terms of the Waiver. Following Completion, the Company, DMPI and the Investor had entered into a Second Supplemental Agreement dated 30 July 2020 to provide, *inter alia*, that mutual consent is required for redemption in certain default events⁽¹⁾ and to ensure that the RCPS are treated as *equity* rather than as *debt*.

Note:

⁽¹⁾ For more details, Shareholders can refer to Section 6.4(g).

- 1.6 The purpose of this Circular is to provide Shareholders with information relating to the Disposal. **The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this Circular.**

2. INFORMATION ON DMPI AND THE INVESTOR

2.1 Information on the Investor

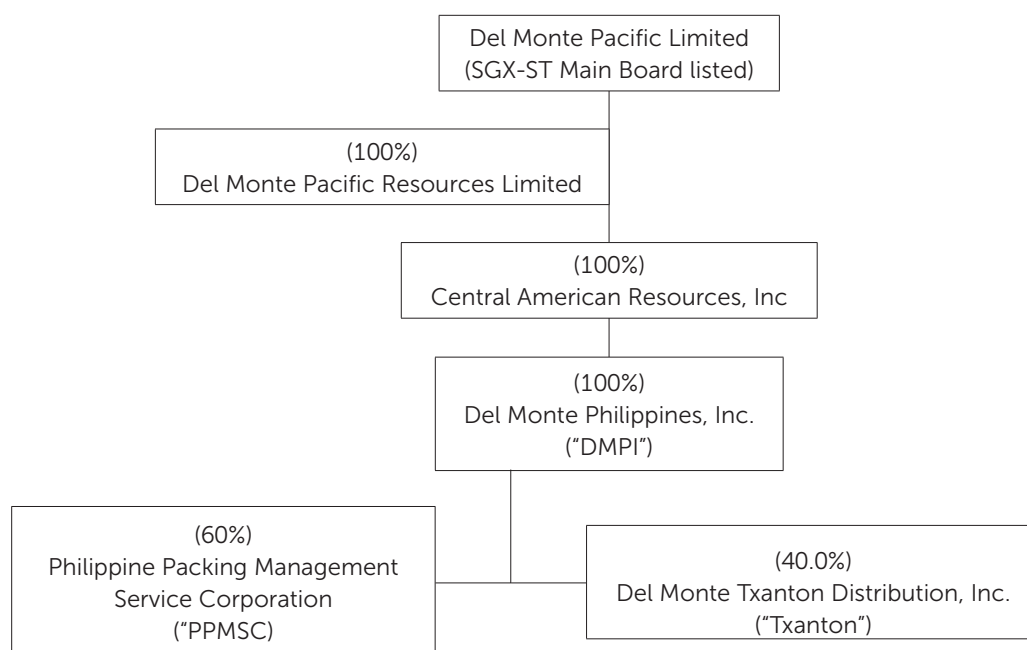
The Investor is a Singapore-incorporated company focused on investing in leading companies in the consumer sector in China and the ASEAN region. The Investor and its affiliates have invested over US\$1 billion in ASEAN and Chinese consumer businesses to date, including consumer product companies and technology companies. The food category has been a key focus for the Investor and its affiliates, with a particular emphasis on food products that have a large addressable market in China. The Investor has over 30 staff members in the region and intends to play an active role in supporting DMPI as outlined further in Section 4.6(a).

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

2.2 Information on DMPI

2.2.1 DMPI is an indirect subsidiary of the Company⁽¹⁾. The business of DMPI includes (i) the production and sale of food and beverage products in the Philippines under the DEL MONTE brand, such as fruit juices and juice drinks, packaged pineapple and mixed fruit, various tomato, spaghetti sauces and culinary mixes, and (ii) the export of these products and fresh pineapples under other brands.

2.2.2 Simplified Group Structure⁽²⁾



Notes:

- ⁽¹⁾ DMPI is the subsidiary of Central American Resources, Inc ("CARI"). CARI is a wholly-owned subsidiary of Del Monte Pacific Resources Limited which is in turn, a wholly-owned subsidiary of the Company.
- ⁽²⁾ The diagram is an extract from the DMPL Group's structure for the purpose of only illustrating the Company's holdings through its subsidiaries, of DMPI. The diagram does not represent the entire DMPL Group structure.

2.2.3 As at the Latest Practicable Date, DMPI has a paid-up capital of approximately S\$201.3 million comprising of 2,797,320,003 DMPI Shares. DMPI holds 40% of Txanton and 100% of PPMSC, both companies incorporated in the Philippines. The principal business activities of PPMSC are management, logistics and support services as well as acquiring, managing and licensing intellectual property rights. As at the Latest Practicable Date, Txanton is dormant and does not carry on any business activities.

2.2.4 DMPI generates sales from customers in the Philippines and from exports to other countries. It sells to the general trade (wholesalers, distributors), modern trade (large groceries and price clubs) and institutional accounts (restaurants, fast food chains, caterers, hotels, hospitals, schools, convenience stores, etc). Its major suppliers include tinsplate suppliers from Japan, sugar suppliers from Thailand and the Philippines, flexible packaging suppliers from the Philippines, Japan and Korea, etc.. DMPI sources its pineapple fruit from its plantation in Bukidnon, Philippines.

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

3. INFORMATION ON THE DISPOSAL

Background

On 6 February 2018, the Company had announced its intention to publicly offer and list some of the ordinary shares of DMPI on The Philippine Stock Exchange, Inc and had obtained the necessary approvals from the SGX-ST (on 27 April 2018), the Philippine Securities and Exchange Commission (on 24 May 2018), the PSE (on 31 May 2018) and Shareholders at a general meeting on 1 June 2018 for the Proposed Public Offering.

The Company had expected to offer up to 587,437,200 existing DMPI shares, which represented 21% of DMPI's total issued shares. The purpose of the then Proposed Public Offering was to raise funds for the Company to partially prepay/repay certain loan facility/ies, with the balance proceeds, if any, to be used for general corporate purposes.

However, due to adverse market conditions⁽¹⁾, the Company announced on 7 June 2018 that it had decided to defer the Proposed Public Offering until such time that market conditions improve.

As market conditions did not improve, the Board explored the possibility of partnering with an investor to enhance the value of DMPI through a private placement involving the sale of some of DMPI's shares. Pursuant to the Board's exploration and after months of due diligence by and discussions with the private placement investor, the Company entered into the Agreement in relation to the Disposal. Shareholders can refer to Section 4.6(a) below for more details on how the Disposal and the Investor can add value to the business of DMPI.

Note:

⁽¹⁾ When the Company announced its intention to undertake the Proposed Public Offering on 6 February 2018, the PSE index was slightly below the peak of 9,041. When the Company announced on 7 June 2018 its decision to defer the Proposed Public Offering, the PSE Index was significantly lower than the peak of 9,041 at 7,740. The PSE index as at the date of the announcement dated 24 January 2020 on the Disposal was about 7,616. The PSE index as at the Latest Practicable Date was about 6,005.

4. RATIONALE AND BOARD'S VIEW

4.1 As disclosed in the Company's annual reports for the financial year ended 30 April 2019 and 2020, the Company has been focused on, *inter alia*, improving the capital structure of the Group by reducing the Group's overall indebtedness. As disclosed in the Company's annual report for the financial year ended 30 April 2020, the Company had managed to reduce the net debt of the Group at the end of financial year ended 30 April 2020 to US\$1.36 billion, which is lower than the net debt of US\$1.46 billion at the end of financial year ended 30 April 2019.

4.2 The Disposal is in line with the aim of improving the Group's capital structure by reducing its debt, as the funds raised from the Disposal had been used to partially prepay/repay certain loan facility/ies. Such prepayment is allowed under the current loan facility agreements without any fee or penalty. Overall, this allows the Group to deleverage and strengthen its balance sheet, as well as improve the Group's profitability with decreased interest expense. **However, while the Company estimated the interest expense savings arising from the Disposal to be significant, the per annum interest costs savings (estimated at 4.0%) would be less than the potential redemption cost if the RCPS are redeemed at the rate of return elaborated under footnote 1 below⁽¹⁾ and provided that this is not a default redemption⁽²⁾. In case there is no liquidity event after 5 years, notwithstanding the higher cost of redemption for the RCPS as mentioned above, the Board still considers the Disposal as beneficial as a whole due to various reasons set out in Section 4.6.**

Notes:

⁽¹⁾ The rate of return (compounded on a per annual basis) calculated from the Completion Date up to the date of redemption is 8% if redemption occurs at the end of 5 years from the Completion Date. If however, DMPI does not consent to the RCPS's redemption request, the 8% rate of return shall increase annually by 3% and this increased rate of return shall apply for each year that the RCPS remain outstanding and shall be compounded on a per annum basis. Shareholders are advised to refer to **Section 6.4(g)** for more details on 'Redemption'.

⁽²⁾ Shareholders are advised to refer to **Section 6.4(g)** for more details on the default redemption.

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

- 4.3 In addition, the funds raised from the Disposal allowed the Company to free up certain credit lines so as to enable the Company to improve its cash flow and be in a position to pursue other opportunities it may encounter.
- 4.4 The Disposal has in fact resulted in net gains made over the book value of the DMPI shares and has improved the Group's equity position. The Board believes that this will in turn establish a benchmark for the pricing of the DMPI shares should the Group decide to undertake an initial public offering of its DMPI shares.
- 4.5 Based on the Consideration, the implied equity value⁽¹⁾ of DMPI is approximately US\$1 billion (approximately S\$1.35 billion⁽²⁾). The market capitalisation of the Company is S\$227,443,323⁽³⁾ based on 1,943,960,024 ordinary shares in issue as at the Latest Practicable Date.

Notes:

⁽¹⁾ The implied equity value is computed as follows – US\$120 million (being the Consideration) divide by 335,678,400 DMPI Sale Shares multiply by 2,797,320,003 (being the total number of issued shares of DMPI as at the date of the Agreement).

⁽²⁾ Based on the closing exchange rate of US\$1 to S\$1.3499 obtained from the Reference Exchange Rate Bulletin of Bangko Sentral ng Pilipinas on 21 January 2020.

⁽³⁾ The Company's market capitalisation is determined by multiplying the number of Company's ordinary shares in issue, 1,943,960,024 (excluding treasury shares) by volume weighted average price of S\$0.117 per Share on 21 August 2020, as at Latest Practicable Date.

- 4.6 The Board notes that, in the worst case scenario (i.e. in the event there is no liquidity event (IPO, trade sale, an agreed event of default, or other redemption event) within the five (5) years' time frame provided in Section 6.4(g) below), the cost of the RCPS (and taking into consideration the 8% rate of return on the redemption amount as described in Section 6.4(g) below) is higher than the estimated interest costs savings per annum from the current loan facility/ies and the Board also notes the potential adjustments to the conversion ratio in the event of an Exit where the Exit price results in a market capitalisation of US\$2 billion or less as described in Section 6.4(f) below.

Notwithstanding that the potential cost of the RCPS in the Disposal may be higher than as compared with the current loans facility/ies (if not repaid), the Board takes the view that the Disposal is the better option (as compared to the Group continuing to make interest payments under its outstanding loan facility/ies) for the following reasons:

- (a) the Investor can add substantial value to the business of DMPI including:
- (i) helping DMPI grow its fresh fruit sales in China. The Investor has close relationships with many of the leading online and offline food retailers in China. The Investor understands that DMPI's only e-commerce sales in China is through a major player and the Investor can help DMPI penetrate many more of the online grocery players in China. The Investor is also able to help DMPI expand its e-commerce footprint by introducing DMPI to another leading social e-commerce membership platform in China where the Investor is a major shareholder and has a seat on the board, thus allowing the Investor to work with both parties to grow the relationship;
 - (ii) helping DMPI grow its frozen fruit sales in China. The Investor understands that DMPI has a frozen fruit business in Japan and would like to replicate this in China. The Investor can help DMPI penetrate the largest store networks in China to start growing this high-potential product category in China;
 - (iii) introducing new customers and building partnerships for DMPI, which the Investor frequently assists its portfolio companies in doing so. For example, the Investor organised an international roadshow for one of their portfolio companies to meet with prospective clients, where this portfolio company gained new blue-chip customers after the international roadshow;

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

- (iv) helping DMPI develop and execute their digital strategy. The Investor's senior management has experience in building and selling companies in the digital space and have been instrumental in helping its portfolio companies build out their digital strategy team, and roll out their digital strategy;
- (v) assisting DMPI in making overall operational improvements, including but not limited to the roll out of automation strategy and processes. For example, the Investor had engaged an industry consultant to develop recommendations for one of its investee companies on how it can improve its operations and prepare for industry changes; and
- (vi) if so requested, assisting in identifying key senior management hires for DMPI, including looking for personnel that can bring in best practices. For one of their investee companies, the Investor recruited an industry expert and the investee company experienced double digit sales growth, and significantly reduced its capital expenditure per sales point.

The above are to be contrasted with the position if the Group had continued with the *status quo* (i.e. did not undertake the Disposal), the loan facility/ies remain and where there is no possibility of an investor being given the opportunity to add value to the business of DMPI.

- (b) the scenario provided for under the terms of the Disposal if there is no liquidity event after five (5) years after the completion of the Disposal (as described in Section 6.4(g) below) is only a worst-case scenario and cannot be looked at on a standalone basis. The terms of the Disposal have to be weighed as a whole, especially against the other benefits of the Disposal such as those as described in Sections 4.1 to 4.6 above. On a whole, the Disposal has, *inter alia*, helped the Company deleverage its balance sheet and has unlocked the value of DMPI which are benefits that cannot be obtained by maintaining status quo (i.e. not undertaking the Disposal).

4.7 For the reasons as stated in Sections 4.1 to 4.6, the Board is of the view that the Disposal is in the best interests of the Company and its Shareholders.

5. USE OF NET PROCEEDS

5.1 The net cash proceeds (after deducting related transactional fees, stamp duties, taxes and administrative expenses of approximately S\$20.6 million) is approximately S\$149.4 million. The net cash proceeds from the Disposal of approximately S\$149.4 million had been used to partially pay down certain outstanding loans of the Company. These outstanding loans were mainly owed to Philippine banks such as Rizal Commercial Banking Corporation.

5.2 As of the Latest Practicable Date, the Company had fully utilised the net cash proceeds from the Disposal.

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

6. PRINCIPAL TERMS OF THE DISPOSAL

6.1 Supplemental Agreement

As set out in Section 1.4, the Company, CARI, DMPI and the Investor had on 30 April 2020 entered into a Supplemental Agreement to vary the Agreement dated 24 January 2020 and the principal amendments are set out below:

- (i) Under the terms of the Agreement (dated 24 January 2020), the Investor was to purchase 363,651,600 existing ordinary shares in DMPI (representing 13% of the DMPI Shares). Pursuant to the Supplemental Agreement, the parties have agreed that the sale will be for 335,678,400 existing ordinary shares in DMPI instead (representing 12% of the DMPI Shares).

Accordingly, the revised aggregate Consideration for the Disposal is US\$120 million (approximately S\$170 million).

- (ii) As stated in Section 6.4(b), the Investor as an RCPS holder is entitled to dividends on an as-converted basis (if ordinary shareholders are entitled to dividends). Under the Agreement (dated 24 January 2020), such dividends were to be credited for the purposes of calculating the redemption amount. Pursuant to the Supplemental Agreement, the parties have now agreed that any dividends received by the Investor from DMPI (from the financial year(s) ending 30 April 2021 onwards) would no longer be credited for the purpose of calculating the redemption amount. However, the dividends received by the Investor from DMPI for the financial year ended 30 April 2020 would be credited for the purposes of calculating the redemption amount. For more details on redemption, Shareholders can refer to Section 6.4(g).
- (iii) In relation to the share adjustment mechanism, Shareholders are to note that the additional DMPI shares to be issued are up to a maximum cap of 1.33% of the total issued share capital of DMPI (instead of 1.44% as set out in the Agreement (dated 24 January 2020)). In computing the number of additional DMPI shares to be issued to the Investor, all reference to "US\$130 million" has been amended to "US\$120 million" to track the revised aggregate Consideration sum of US\$120 million.

The share adjustment formula is set out in Section 6.4(h).

6.2 Consideration

The aggregate consideration for the Disposal was US\$120 million (approximately S\$170 million) (the "**Consideration**"). The Consideration was negotiated in good faith and on an arm's length basis, taking into account the rationale as set out in Sections 4.1 to 4.6.

6.3 Conditions Precedent

Following fulfilment of the conditions precedent for the completion of the Disposal including those described below, the Disposal was completed on 20 May 2020 and announced on 21 May 2020.

Completion of the Disposal was subject to and conditional upon, *inter alia*, the fulfilment the following conditions:

- (a) the completion of the Investor's due diligence on DMPI and its subsidiaries;
- (b) the approval of the acquisition of the DMPI Sale Shares by the Investor's investment committee;
- (c) the form of the amendment of DMPI's licence agreement with S&W Fine Foods International Limited having been agreed by the parties thereto to the reasonable satisfaction of the Investor;

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- (d) the form of a licence and technical assistance agreement between Dewey Sdn. Bhd. (as the licensor) and DMPI (as the licensee) having been agreed by the parties thereto in a form reasonably satisfactory to the Investor;
- (e) the passing of board resolutions and shareholders' resolutions of DMPI approving the following: (i) its entry into the Shareholders' Agreement; and (ii) adopting the amended charter by DMPI;
- (f) written approvals by certain lender banks of the Disposal and related transactions having been obtained; and
- (g) the termination of all related party transactions of DMPI, other than those approved by the Investor.

6.4 Other Material Terms of the Disposal⁽¹⁾

Note:

⁽¹⁾ The material terms disclosed in this Circular can be found in the Agreement (and the Supplemental Agreement) and the Shareholders' Agreement.

(a) Right to Convert into RCPS

It is provided that following the completion of the Disposal, the DMPI Sale Shares will be converted into RCPS in DMPI. The DMPI Sale Shares had been converted into RCPS as of 10 August 2020.

(b) Dividend

The right of the Investor as an RCPS holder to participate in dividends is on an as-converted basis, that is, if ordinary shareholders are entitled to dividends, then the RCPS holders will correspondingly be entitled to dividends on an as-converted basis. For Shareholders' information, the dividend policy of DMPI is to declare at least 33% dividends provided there are sufficient unrestricted retained earnings. It was agreed that dividends would be declared by DMPI on such date in September of the immediate succeeding financial year.

(c) Voting

The Investor as an RCPS holder has proportional shareholder voting rights in DMPI on an as-converted basis. There are also certain reserved matters (for example, matters not in the ordinary course of business) which the Investor have the right to approve.

(d) Transferability

The RCPS are subject to certain transfer restrictions, such as the right of first refusal of CARI, but affiliates of the Investor are permitted transferees. CARI is the immediate holding company of DMPI.

(e) Conversion

The Investor, as long as it holds RCPS, may, at any time, exercise its right to convert the RCPS into ordinary shares of DMPI. Conversion of RCPS into ordinary shares of DMPI is at a ratio of one (1) RCPS : one (1) ordinary share of DMPI.

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(f) Exit

The RCPS shall automatically be converted into ordinary shares of DMPI, on the occurrence of either an IPO or a trade or private sale of DMPI Sale Shares, i.e. an Exit. If the IPO pre-money market capitalisation of DMPI shares exceeds US\$2,000,000,000 (approximately S\$2,699,800,000) on an Exit, the conversion ratio would remain unchanged at one (1) RCPS : one (1) ordinary share of DMPI.

However, if, the IPO pre-money market capitalisation of DMPI shares is US\$2,000,000,000 (approximately S\$2,699,800,000) or less on an Exit, the Investor will receive shares issued by DMPI that will provide the Investor with a simple annual 3% yield on the Consideration.

DMPI shall use its best efforts to provide the Investor an opportunity to sell all of the DMPI Sale Shares held by the Investor on or before the date falling five (5) years from the Completion Date. In the event that DMPI undertakes an IPO, the Investor shall be given the first right (but not the obligation) to sell all of its shares in the IPO on terms no less favourable to the Investor than those granted to the other existing shareholders.

If an IPO or trade or private sale for the Investor has not occurred on or prior to three (3) years following the date of the Agreement, the Investor may require the Company to engage a financial adviser from a list recommended by the Investor to advise on the possible valuation of DMPI. In such event, DMPI shall promptly appoint a financial adviser. Further, the Investor may elect to require DMPI to cooperate with the Investor on a best efforts basis to facilitate an exit to the Investor either by way of an IPO or a private or trade sale.

(g) Redemption

However, if there is no liquidity event (IPO or trade sale) after five (5) years from the Completion Date, the RCPS shall be redeemed at the redemption price, which is an amount paid on the RCPS plus an 8% rate of return (compounded on a per annum basis) calculated from the Completion Date up to the date of redemption.

The right to redeem in the event there is no liquidity event after five (5) years from the Completion Date is subject to the mutual consent of both DMPI and the Investor. For illustration purposes, assuming that **(a)** there is no liquidity event after five (5) years and **(b)** both DMPI and the Investor mutually consent to the redemption of RCPS, the rate of return shall be 8% rate of return (compounded on a per annum basis) and shall apply for each and every year that the RCPS is outstanding (i.e. from Year 1 to Year 5).

If DMPI does not consent to the RCPS holder's written redemption request, the 8% rate of return per annum shall be increased annually by 3%, and this increased rate of return shall apply for each year that the RCPS remain outstanding and shall be compounded on a per annum basis. Assuming that there is no liquidity event after five (5) years and DMPI does not consent to the redemption of RCPS, the rate of return shall be computed as follows **(a)** a base 8% rate of return (compounded on a per annum basis); and **(b)** an increase of 3% annually for each and every year that the RCPS is outstanding. For illustration purposes:

- (a) The rate of return shall be 8% as at 30 June 2025 (i.e. Year 1 to Year 5) which will be computed on a compounded basis;
- (b) The rate of return shall be 11% as at 30 June 2026 (i.e. Year 1 to Year 6) which will be computed on a compounded basis;
- (c) The rate of return shall be 14% as at 30 June 2027 (i.e. Year 1 to Year 7) which will be computed on a compounded basis.

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However, if an agreed default event occurs, the Investor may, by written notice to the Company, require the Company to redeem any or all of the RCPS held by the Investor at the Default Redemption Amount (as defined below) without prejudice to all other rights or remedies available to such holder of the RCPS. The right to redeem for certain default events is subject to the mutual consent of both DMPI and the Investor. If DMPI does not consent to the RCPS holder's written redemption request, the internal rate of return comprising the Default Redemption Amount shall be increased annually by 3%, and this increased rate of return shall apply for each year that the RCPS remain outstanding and shall be compounded on a per annum basis.

"Default Redemption Amount" means an amount that would provide the RCPS holder, except for the certain exceptions in the Shareholders' Agreement, an internal rate of return of 12 per cent, in each case as at the date on which the redemption actually occurs. Examples of default events includes a breach of financial covenants by the Company and certain identified subsidiaries, default by DMPL and certain identified subsidiaries being on any of its indebtedness or is in breach of any of its obligations in respect of the preference shares issued, NAPL ceasing to be the direct or indirect controlling shareholder of the Company or DMPI and any of certain specified DMPL Group companies becoming insolvent.

Further, pursuant to the Supplemental Agreement, any dividends received by the Investor from DMPI (for the financial year(s) ending 30 April 2021 onwards) would no longer be credited for the purpose of calculating the redemption amount. However, the dividends received by the Investor from DMPI for the financial year ended 30 April 2020 would be credited for the purposes of calculating the redemption amount.

(h) Share Adjustment

There is also a share adjustment mechanism in the event that the Company does not meet the agreed forecasted net income of DMPI for the financial year ended 30 April 2021 ("**DMPI FY2021**"). Accordingly, additional DMPI shares (up to a maximum cap of 1.33% of the total issued share capital of DMPI as diluted by this adjustment) may be issued by DMPI to the Investor in accordance with the Adjusted Equity Value formula as described below.

1. Determining the Adjusted Equity Value

$$\text{Adjusted Equity Value} = \frac{A}{(\text{DMPI FY2021 forecasted net income})} \times Y$$

provided Adjusted Equity Value shall not be < US\$900 million – X

where:

A = lower of (i) DMPI FY2021 agreed forecasted net income and (ii) DMPI FY2021 actual net income

X = certain agreed debt guaranteed by DMPI after 31 October 2020 and certain agreed DMPL debt repaid by DMPI for the benefit of DMPL between the date of the Agreement and 31 October 2020

Y = US\$1,000 million – X

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2. Determining the number of additional DMPI shares to be issued to the Investor ("E")

$$E = \frac{(B \times D) - C}{1 - B}$$

Where:

B = US\$120 million / Adjusted Equity Value

C = number of RCPS held by Investor after conversion of DMPI shares to RCPS

D = total number of DMPI shares on a fully diluted, as converted basis as at Completion Date, as adjusted for any reduction, combination, consolidation, subdivision or reclassification in respect of the DMPI's share capital

(i) Call Option

The Investor is entitled to a call option ("**Call Option**") which gives the Investor the right to buy from CARI additional DMPI shares ("**Option Shares**") of up to 41,959,800 DMPI shares. The maximum number of Option Shares represents 1.5% of the DMPI equity valuation of US\$1 billion. The exercise price for each Option Share is US\$0.357 (computed based on the DMPI equity valuation of US\$1 billion / existing total issued share capital of the DMPI shares of 2,797,320,003 as at the date of the Agreement).

The Call Option is exercisable within the Option Period.

"**Option Period**" means the period,

(A) commencing on:

- (i) in the event where an IPO of DMPI is consummated on or before 30 April 2022, and:
 - (a) such IPO of DMPI is consummated at a price per DMPI share which implies an IPO pre-money market capitalisation of US\$2,000,000,000 or lower, the date on which such IPO of DMPI is consummated; or
 - (b) such IPO of DMPI is consummated at a price per DMPI share which implies an IPO pre-money market capitalisation of more than US\$2,000,000,000 and following such IPO, the Investor sells any DMPI shares at a price per DMPI share which implies that DMPI's valuation is at or lower than an IPO pre-money market capitalisation of US\$2,000,000,000, the date on which the Investor makes such sale of DMPI shares; or
- (ii) 30 April 2022, if DMPI does not consummate an IPO on or before 30 April 2022; and

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- (B) ending on the earliest of:
- (i) the date falling ten (10) years after the Completion Date;
 - (ii) the date falling five (5) years after the consummation of an IPO of DMPI; and
 - (iii) the date on which the Investor receives an amount in respect of a redemption of its DMPI shares that provides the Investor with a rate of return of no less than 8 per cent.

7. VALUE OF THE DMPI SALE SHARES

- 7.1 As at 30 April 2020, the book value of the DMPI Sale Shares as recorded in the books of the Company is approximately S\$37.4 million. Following Completion of the Disposal, the Group had recognised a net gain on disposal of approximately S\$109 million.
- 7.2 Based on the consolidated financial statements of the Group for the six months ended 31 October 2019 (being the latest announced consolidated accounts when the Agreement was signed) and consolidated financial statements of the Group for the financial year ended 30 April 2020 (being the latest announced consolidated accounts as at the Latest Practicable Date), the net profit attributable to the DMPI Sale Shares amounted to approximately S\$7.1 million and approximately S\$13.5 million, respectively.
- 7.3 The open market value of the DMPI Sale Shares is not available as the DMPI Sale Shares are not publicly traded. No valuation of the DMPI Sale Shares was commissioned.

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8. FINANCIAL EFFECTS OF THE DISPOSAL

Shareholders are to note that the assumptions are made for purposes of illustrations and should not be taken as an indication of the future actual financial position and results of the Group following completion of the Disposal.

8.1 Net Tangible Assets ("NTA") per share

Assuming the Disposal was completed on 30 April 2020, being the end of the most recently completed financial year as at the Latest Practicable Date, the financial effects on the Group's NTA per share would be as follows:

	Before completion of the Disposal	After completion of the Disposal		
		Disposal	Disposal with share adjustment	Disposal with share adjustment and exercise of options
		(being 12% DMPI shares)	(being 12% DMPI shares and a maximum cap of 1.33%)	(being 12% DMPI shares, a maximum cap of 1.33% and 1.5%, respectively)
NTA attributable to Shareholders (S\$'000)	(778,067) ⁽¹⁾	(672,504)	(676,697)	(681,246)
Number of ordinary shares	1,943,960,024	1,943,960,024	1,943,960,024	1,943,960,024
NTA per ordinary share attributable to Shareholders (Singapore cents)	(40.02)	(34.59)	(34.81)	(35.04)

Note:

⁽¹⁾ Based on the Group's latest announced consolidated audited financial statements for FY2020. As the FY2020 consolidated audited financial statements was reported in US dollars, the Company had converted the NTA (of US\$567,228,000) into Singapore dollars based on the closing exchange rate of US\$1 to S\$1.3717 obtained from Bloomberg on 21 August 2020.

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8.2 Earnings per share ("EPS")

Assuming the Disposal was completed on 1 May 2019, being the beginning of the most recently completed financial year as at the Latest Practicable Date, the financial effects on the Group's EPS would be as follows:

	Before completion of the Disposal	After completion of the Disposal		
		Disposal	Disposal with share adjustment	Disposal with share adjustment and exercise of options
		(being 12% DMPI shares)	(being 12% DMPI shares and a maximum cap of 1.33%)	(being 12% DMPI shares, a maximum cap of 1.33% and 1.5%, respectively)
Net earnings attributable to Shareholders (S\$'000)	12,063 ⁽¹⁾⁽³⁾	17,875 ⁽¹⁾⁽²⁾⁽³⁾	17,875 ⁽¹⁾⁽²⁾⁽³⁾	17,875 ⁽¹⁾⁽²⁾⁽³⁾
Weighted average number of Shares (excluding treasury shares)	1,943,960,024	1,943,960,024	1,943,960,024	1,943,960,024
Earnings per Share (Singapore cents)	0.62	0.92	0.92	0.2

Notes:

⁽¹⁾ Based on the Company's most recently completed financial year ended 30 April 2020 (being the latest announced consolidated accounts of the Company as at the Latest Practicable Date), the Company achieved a net loss (after income tax benefit, minority interests and extraordinary items and before preference dividends) attributable to Shareholders of US\$81,394,000 (approximately S\$111,648,150). After excluding impact of income tax expense (of approximately US\$29,176,000), minority interests (of approximately US\$12,436,000), extraordinary items before tax (of approximately US\$93,198,000) and deducting payment of preference dividends (of approximately US\$19,750,000), the net profit attributable to Shareholders is US\$28,544,000 (approximately S\$39,153,805). For the purposes of computing the financial effects under Section 8.2, the Listing Manual defines net profit as "profit or loss before income tax, minority interests and extraordinary items".

⁽²⁾ In computing the financial effects of the Disposal, the Company had also assumed the projected interest savings (at the rate of 4% per annum on US\$105,900,000), being the sum of US\$4,236,000 (approximately S\$5,812,327).

⁽³⁾ Based on the closing exchange rate of US\$1 to S\$1.3717 obtained from Bloomberg on 21 August 2020.

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9. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL

9.1 For the purposes of Chapter 10 of the Listing Manual and based on the announced unaudited financial statements of the Company for the six months ended 31 October 2019, being the financial period from 1 May 2019 to 31 October 2019, the relative figures for the Disposal are computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual and are as follows:

Rule 1006	Basis	Relative Figures		
		Disposal	Disposal with Share adjustment	Disposal with Share adjustment and exercise of options
		(being 12% DMPI shares)	(being 12 DMPI shares and a maximum cap of 1.33%)	(being 12% DMPI shares, a maximum cap of 1.33% and 1.5%, respectively)
Rule 1006 ^(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	4.66% ⁽¹⁾	5.16% ⁽¹⁾	5.74% ⁽¹⁾
Rule 1006 ^(b)	Net profit attributable to the assets disposed of, compared with the Group's net profits	25% ⁽²⁾⁽³⁾	28% ⁽²⁾⁽³⁾	31% ⁽²⁾⁽³⁾
Rule 1006 ^(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	60.73% ⁽⁴⁾	60.73% ⁽⁴⁾	60.73% ⁽⁴⁾
Rule 1006 ^(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not Applicable	Not Applicable	Not Applicable
Rule 1006 ^(e)	Aggregate volume of proved and probable reserves to be disposed of compared with the Group's proved and probable reserves	Not Applicable	Not Applicable	Not Applicable

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Notes:

⁽¹⁾ Based on the unaudited financial statements for the six months ended 31 October 2019, the net asset value of the DMPI Sale Shares as at 31 October 2019 for the different scenarios are:

DMPI Sale Shares (being 12%)	US\$22.3 million (approximately S\$31.5 million)
12% + 1.33%	US\$24.7 million (approximately S\$35.0 million)
12% + 1.33% + 1.50%	US\$27.5 million (approximately S\$39.0 million)

The Group's unaudited consolidated net asset value as at 31 October 2019 is US\$479.0 million (approximately S\$678.6 million).

⁽²⁾ Based on the latest unaudited financial statement for the six months ended 31 October 2019, the Group's unaudited consolidated net profits before income tax, minority interests and extraordinary items is US\$20.0 million (approximately S\$28.3 million). Shareholders are to note that this does not factor in the payment of preference dividends(a) amounting to approximately US\$9.9 million.

(a) For Shareholders' information, the preference dividends relates to the Company's offering and listing of 20,000,000 Series A-1 Preferred Shares and 10,000,000 Series A-2 Preferred Shares, completed in April and December 2017, respectively. The preference shares are cumulative, non-voting, redeemable at the option of the issuer, non-participating and non-convertible. Holders of preference shares are entitled to cash dividends, at a fixed rate of 6.625% per annum for Series A-1 shares and 6.50% per annum for Series A-2 shares. The dividends are payable every October and April of each year.

⁽³⁾ The net profits before income tax, minority interest and extraordinary items of DMPI (on a consolidated basis) based on the latest unaudited financial statement for the six months ended 31 October 2019 is approximately US\$41.9 million (approximately S\$59.4 million).

The net profits before income tax, minority interest and extraordinary items attributable to the DMPI shares to be disposed for the different scenarios are:

DMPI Sale Shares (being 12%)	US\$5.0 million (approximately S\$7.1 million)
12% + 1.33%	US\$5.6 million (approximately S\$7.9 million)
12% + 1.33% + 1.50%	US\$6.2 million (approximately S\$8.8 million)

Accordingly, the relative figures computed are as follows:

(d) $US\$5.0 / US\$20.0 = \text{approx. } 25.0\%$

(e) $US\$5.6 / US\$20.0 = \text{approx. } 28.0\%$

(f) $US\$6.2 / US\$20.0 = \text{approx. } 31.0\%$

⁽⁴⁾ The computation for Rule 1006(c) is based on the expected gross proceeds of US\$120.0 million (approximately S\$170 million) from the Disposal divided by the market capitalisation of the Company of approximately S\$279,930,243 as at 23 January 2020, being the full market day immediately preceding the signing of the Agreement.

The Company's market capitalisation is determined by multiplying the number of ordinary shares (the "Shares") in issue, 1,943,960,024 (excluding treasury shares) by volume weighted average price of S\$0.144 per Share on 23 January 2020, being the full market day immediately preceding the signing of the Agreement.

9.2 Based on the above, the relative figures computed pursuant to Rule 1006(b) and (c) exceeds 20%. Accordingly, Rule 1014 provides that Chapter 10 of the Listing Manual is applicable and Shareholders' approval is required and in this regard, the Company will be seeking Shareholders' approval in respect of the ratification of the Disposal.

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10. CONDITIONAL WAIVER FROM SGX-ST

10.1 As provided in Section 1.2 above, the Company had applied for the Waiver and the SGX-ST has granted (on 5 December 2019) the Waiver, subject to the following conditions:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the Company's announcement, the Company must make an update announcement when the conditions have all been met;
- (b) submission of a written undertaking from the Company that it will seek the Shareholders' ratification of the Disposal at an extraordinary general meeting to be held within three (3) months from the date of the Disposal;
- (c) submission to the Company of a written irrevocable undertaking from NAPL and Bluebell, which have an equity interest in the Company of approximately 61.55% and 9.76% respectively, to vote in favour of the Disposal at the GM;
- (d) submission of a written irrevocable undertaking from NAPL to the Company that it will continue to own more than 50% of the issued shares of the Company before and up to the date of the GM; and
- (e) disclosure of the Board's view that the Disposal is in the best interests of the Company and its Shareholders, as well as the Board's basis.

10.2 In respect of the aforesaid Waiver:

- (a) the reasons for seeking the Waiver were announced in paragraph 4.10 of the Company's announcement dated 24 January 2020;
- (b) by this Circular, the Company is seeking to hold an GM to seek Shareholders' ratification of the Disposal. Please refer to Section 10.3 below for further details;
- (c) the Board has set out its view under Section 4 of this Circular that the Disposal is in the best interests of the Company and its Shareholders, as well as the Board's basis (and as announced in paragraph 4 of the Company's announcement dated 24 January 2020);
- (d) the Company has provided a written undertaking to the SGX on 24 January 2020 that it will hold the GM within three (3) months from date of completion of the Disposal;
- (e) NAPL and Bluebell, which have an equity interest in the Company of approximately 61.55% and 9.76%, respectively, have provided written irrevocable undertakings to the Company to vote in favour of the Disposal at the GM; and
- (f) NAPL, who has an equity interest in the Company of approximately 61.55%, has provided a written irrevocable undertaking to the Company that it will continue to own more than 50% of the issued shares of the Company before and up to the date of the GM.

10.3 As set out in Section 1.5, the Completion took place on 20 May 2020 and accordingly, the Company is required, pursuant to the conditions of the Waiver, to hold the GM within three (3) months from the Completion Date of 20 May 2020, being 20 August 2020. As the Company intends to hold its annual general meeting for the financial year ended 30 April 2020 on 17 September 2020, the Company had written to SGX and requested that the GM be held together with its upcoming annual general meeting. Pursuant thereto, SGX had agreed to the request. As such, the GM will be held on 17 September 2020 immediately after the upcoming annual general meeting.

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11. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

11.1 Interest of Directors and Substantial Shareholders

The shareholdings of the Directors and Substantial Shareholders as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders (based on notifications received from the respective Directors and Substantial Shareholders) as at the Latest Practicable Date were as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors						
Rolando C Gapud	2,651,203	0.13	Nil	Nil	2,651,203	0.13
Joselito D Campos, Jr	7,621,466	0.39	1,386,276,498 ⁽²⁾⁽³⁾	71.31	1,393,897,964	71.70
Edgardo M Cruz, Jr	2,984,632	0.15	Nil	Nil	2,984,632	0.15
Emil Q Javier	611,828	0.03	Nil	Nil	611,828	0.03
Benedict Kwek Gim Song	117,092	n.m.	Nil	Nil	117,092	n.m.
Godfrey E Scotchbrook	117,092	n.m.	Nil	Nil	117,092	n.m.
Mrs Yvonne Goh	Nil	Nil	Nil	Nil	Nil	Nil
Substantial Shareholders						
Bluebell Group Holdings Limited	189,736,540 ⁽²⁾	9.76	Nil	Nil	189,736,540	9.76
Golden Sunflower International Limited	Nil	Nil	189,736,540 ⁽²⁾	9.76	189,736,540	9.76
NutriAsia Pacific Limited	1,196,539,958	61.55	Nil	Nil	1,196,539,958	61.55
NutriAsia Inc	Nil	Nil	1,196,539,958 ⁽⁴⁾	61.55	1,196,539,958	61.55
NutriAsia Holdings Limited	Nil	Nil	1,196,539,958 ⁽⁵⁾	61.55	1,196,539,958	61.55
Golden Chamber Investment Limited	Nil	Nil	1,196,539,958 ⁽⁵⁾	61.55	1,196,539,958	61.55
Star Orchid Limited	Nil	Nil	1,196,539,958 ⁽⁵⁾	61.55	1,196,539,958	61.55
Well Grounded Limited	Nil	Nil	1,196,539,958 ⁽⁴⁾	61.55	1,196,539,958	61.55
HSBC Trustee (Hong Kong) Limited	Nil	Nil	1,386,276,498 ⁽⁶⁾	71.31	1,386,276,498	71.31
HSBC International Trustee Limited	Nil	Nil	1,386,276,498 ⁽⁶⁾	71.31	1,386,276,498	71.31
HSBC International Trustee (Holdings) Pte Limited	Nil	Nil	1,386,276,498 ⁽⁶⁾	71.31	1,386,276,498	71.31
The Hongkong and Shanghai Banking Corporation Limited	Nil	Nil	1,386,276,498 ⁽⁶⁾	71.31	1,386,276,498	71.31
HSBC Asia Holdings (UK) Limited	Nil	Nil	1,386,276,498 ⁽⁶⁾	71.31	1,386,276,498	71.31
HSBC Holdings Plc	Nil	Nil	1,386,276,498 ⁽⁶⁾	71.31	1,386,276,498	71.31
Mr Joselito D Campos, Jr	7,621,466	0.39	1,386,276,498 ⁽²⁾⁽³⁾	71.31	1,393,897,964	71.70
Lee Pineapple Company (Pte) Limited	100,422,000	5.16	6,432,000 ⁽⁹⁾	0.33	106,854,000	5.49
Lee Foundation	Nil	Nil	106,854,000 ⁽⁷⁾⁽⁹⁾	5.49	106,854,000	5.49
Lee Foundation, States of Malaya	Nil	Nil	106,854,000 ⁽⁸⁾⁽⁹⁾	5.49	106,854,000	5.49

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

Notes:

- ⁽¹⁾ The percentage of issued capital is calculated based on 1,943,960,024 ordinary shares ("**Shares**") (being 1,944,935,826 Shares excluding 975,802 Treasury Shares) and there are no subsidiary holdings.
- ⁽²⁾ Bluebell Group Holdings Limited ("**Bluebell**") is wholly owned by Golden Sunflower International Limited ("**GSIL**"). GSIL is therefore deemed interested in the Shares of the Company held by Bluebell.
- GSIL is wholly owned by the Twin Palms Pacific Trust ("**TPP Trust**"), of which HSBC Trustee (Hong Kong) Limited ("**HKL**") is the trustee. The beneficiaries of the TPP Trust are Mr Joselito D Campos, Jr ("**JDC**") and his children. JDC is therefore deemed interested in the Shares held by Bluebell. The 189,736,540 Shares are held in nominee by HSBC (Singapore) Nominees Pte Ltd.
- ⁽³⁾ NutriAsia Pacific Limited ("**NAPL**") is a substantial and Controlling Shareholder of the Company, holding 1,196,539,958 Shares. JDC and his family have beneficial interests in NAPL (through Golden Chamber Investment Limited ("**GCIL**") and Star Orchid Ltd ("**SOL**") which hold trusts in which they are beneficiaries). JDC is therefore deemed interested in the Shares held by NAPL.
- ⁽⁴⁾ NutriAsia Inc ("**NI**") owns 57.8% of NutriAsia Holdings Limited ("**NHL**"), which in turn owns 100% of NAPL. NI is therefore deemed to be interested in the Shares held by NAPL.
- ⁽⁵⁾ NAPL is wholly owned by NHL. NHL is therefore deemed interested in the Shares held by NAPL.
- NHL is in turn majority owned by NI (57.8%) and partly owned by Well Grounded Limited ("**WGL**") (42.2%). NI and WGL are therefore deemed interested in the Shares held by NAPL.
- NI is in turn majority owned by GCIL (65.4%) and WGL is in turn wholly owned by SOL. GCIL and SOL are therefore deemed interested in the Shares held by NAPL.
- ⁽⁶⁾ GCIL and GSIL are owned by the TPP Trust and SOL is wholly owned by The Star Orchid Trust, for which HKL acts as trustee for both trusts. HKL is therefore deemed interested in the Shares held by NAPL and Bluebell. The beneficiaries of the Star Orchid Trust are beneficially owned by the Campos family.
- HKL is wholly owned by HSBC International Trustee Limited. HSBC International Trustee Limited is therefore deemed interested in the Shares held by NAPL and Bluebell.
- HSBC International Trustee Limited is wholly owned by HSBC International Trustee (Holdings) Pte Limited. HSBC International Trustee (Holdings) Pte Limited is therefore deemed interested in the Shares held by NAPL and Bluebell.
- HSBC International Trustee (Holdings) Pte Limited is wholly owned by The Hongkong and Shanghai Banking Corporation Limited. The Hongkong and Shanghai Banking Corporation Limited is therefore deemed interested in the Shares held by NAPL and Bluebell.
- The Hongkong and Shanghai Banking Corporation Limited is wholly owned by HSBC Asia Holdings Limited. HSBC Asia Holdings Limited is therefore deemed interested in the Shares held by NAPL and Bluebell.
- HSBC Asia Holdings Limited is wholly owned by HSBC Holdings plc. HSBC Holdings plc is therefore deemed interested in the Shares held by NAPL and Bluebell.
- ⁽⁷⁾ Lee Foundation, by virtue of its not less than 20% interest in Lee Pineapple Company (Pte) Limited, had a deemed interest in the Company's Shares in which Lee Pineapple Company (Pte) Limited had a direct or deemed interest.
- ⁽⁸⁾ Lee Foundation, States of Malaya, by virtue of its not less than 20% interest in Lee Pineapple Company (Pte) Limited, had a deemed interest in the Company's Shares in which Lee Pineapple Company (Pte) Limited had a direct or deemed interest.
- ⁽⁹⁾ Lee Pineapple Company (Pte) Limited is deemed interested in the 6,432,000 Shares held by its wholly-owned subsidiary, Pineapples of Malaya Private Limited.

11.2 Save for their interests in the Company and other than through their respective shareholdings, if any, as disclosed in Section 11.1 above, none of the Director(s) or Controlling Shareholder(s) has any direct or indirect interest in the Disposal.

11.3 Disclosure of Service Contract

No person is proposed to be appointed to the Board in connection with the Disposal and accordingly, no service contract in relation thereto will be entered into between the Company and any such person.

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

12. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the Disposal is in the best interests of the Company and accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution relating thereto.

13. RESPONSIBILITY STATEMENT OF THE DIRECTORS

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio, should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

14. GENERAL MEETING

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the GM will be held by way of electronic means on 17 September 2020 at 10:30 am. for the purpose of considering and, if thought fit, passing, with or without modifications, the Ordinary Resolution set out in the Notice of GM.

The Proxy Form will be despatched to Shareholders; however, printed copies of the Notice of GM and this Circular will not be sent to Shareholders. Instead, these documents may be accessed at the Company's website at the URL https://www.delmontepacific.com/investors/shareholder-centre#Notice_of_AGM and on SGXNET at the URL < <https://www.sgx.com/securities/company-announcements> >.

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

15. ACTION TO BE TAKEN BY SHAREHOLDERS

15.1 No attendance at GM

Shareholders are to note that due to the current COVID-19 restriction orders in Singapore, Shareholders will **NOT** be able to attend the GM in person.

Alternative Arrangements

Alternative arrangements have been made by the Company to allow Shareholders to participate at the GM via electronic means. Such alternative arrangements include:

- (a) observing and/or listening to the GM proceedings via live audio-visual webcast or live audio-only stream;
- (b) submitting questions in advance of the GM; and/or
- (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the GM.

For more details, shareholders should refer to the Company's announcement dated 27 August 2020, which has been published together with this Circular and uploaded on SGXNET, for further information, including the steps to be taken by the Shareholders to participate at the GM.

IMPORTANT REMINDER

Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change the arrangements for the GM at short notice. For the latest updates on the arrangements for the GM, Shareholders should check the Company's website at the URL https://www.delmontepacific.com/investors/shareholder-centre#Notice_of_AGM. Such updates will also be made available on SGXNET at the URL < <https://www.sgx.com/securities/companyannouncements> >.

- 15.2 **Shareholders are advised to read this Circular in its entirety and for any Shareholder who may require advice in the context of his specific investment, to consult his bank manager, stockbroker, solicitor, accountant or other professional adviser.**

16. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the Agreement and the Shareholders' Agreement will be made available for inspection at the offices of the Company's Share Transfer Agents in Singapore and Manila, Philippines, at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 and 15th Floor South Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City 0726, Philippines, respectively, during normal business hours from the date of this Circular up to and including the later of (a) the date of the GM or (b) the date falling three (3) months from the 24 January 2020 (being the date of the Company's announcement in respect of the Disposal).

Yours faithfully

For and on behalf of
the Board of Directors of Del Monte Pacific Limited
Rolando C Gapud
Executive Chairman