

CIRCULAR DATED 13 AUGUST 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Del Monte Pacific Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”) or the Philippine Depository & Trust Corporation (“**PDTC**”), you need not forward this circular with the Notice of General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP or PDTC for a separate circular with the Notice of General Meeting and the attached Proxy Form to be sent to the purchaser or transferee.

If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should at once hand this circular with the Notice of General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

Neither the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) nor the Philippine Stock Exchange, Inc. (“**PSE**”) assumes any responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this circular.



DEL MONTE PACIFIC LIMITED

(Incorporated in British Virgin Islands with limited liability on 27 May 1999)

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO THE PROPOSED ADOPTION OF SHARE PURCHASE MANDATE**

Important Dates and Times:

Last date and time for lodgement of Proxy Form : 26 August 2015 at 10.10 a.m.

Date and time of General Meeting : 28 August 2015 at 10.10 a.m.

(or as soon as thereafter following the conclusion or adjournment of the Annual General Meeting to be held at 10.00 a.m. on the same day and at the same place)

Place of General Meeting : Anson Room 3, Level 2 of M Hotel, 81 Anson Road, Singapore 079908

CONTENTS

Page

DEFINITIONS	3
LETTER TO SHAREHOLDERS	6
1. INTRODUCTION	6
1.1 General Meeting.....	6
1.2 Purpose of this Circular	6
2. THE PROPOSED ADOPTION OF SHARE PURCHASE MANDATE.....	6
2.1 Background.....	6
2.2 Rationale	7
2.3 The Act and the Articles.....	8
2.4 The Terms of the Share Purchase Mandate.....	8
2.5 Status of Purchased Shares Under the Share Purchase Mandate.....	11
2.6 Treasury Shares	11
2.7 Source of Funds for Share Purchase.....	12
2.8 Financial Effects of the Share Purchase Mandate	12
2.9 Listing Rules.....	18
2.10 Tax Implications	19
2.11 Take-Over Obligations	19
2.12 Application of the Singapore Code on Takeovers and Mergers	21
3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	21
4. PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS	23
5. DIRECTORS' RECOMMENDATION	23
6. DIRECTORS' RESPONSIBILITY STATEMENT	23
7. GENERAL MEETING.....	24
8. ACTION TO BE TAKEN BY SHAREHOLDERS.....	24
9. DOCUMENTS AVAILABLE FOR INSPECTION.....	24
NOTICE OF GENERAL MEETING	N1-N4

DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

“Act”	:	Business Companies Act 2004 of the British Virgin Islands as amended, modified or supplemented from time to time
“AGM”	:	Annual General Meeting of the Company
“Articles”	:	Articles of Association of the Company
“Associated Company”	:	A company in which at least 20% but not more than 50% of its shares are held by the listed company or group
“Board”	:	The Board of Directors of the Company for the time being
“BVI”	:	British Virgin Islands
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 13 August 2015
“Company”	:	Del Monte Pacific Limited, a company incorporated in the British Virgin Islands
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company. The Exchange may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
“Depositor”	:	An account holder or a depository agent but does not include a sub-account holder
“Depository Agent”	:	An entity registered as a depository agent with CDP or PDTC for the purpose of maintaining securities sub-accounts for its own account and for the account of others
“Depository Register”	:	A register maintained by the CDP or PDTC in respect of the Shares
“Directors”	:	The directors of the Company as at the date of this Circular
“EPS”	:	Earnings per Share
“FY”	:	The financial year ended or ending 30 April

DEFINITIONS

<i>“GM”</i>	:	The General Meeting of the Company to be held on Friday, 28 August 2015 at 10.10 a.m. (or as soon as thereafter following the conclusion or adjournment of the Annual General Meeting to be held at 10.00 a.m. on the same day and at the same place), at Anson Room 3, Level 2 of M Hotel, 81 Anson Road, Singapore 079908
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Latest Practicable Date”</i>	:	15 July 2015, being the latest practicable date prior to the printing of this Circular
<i>“Listing Rules”</i>	:	The rules of the Listing Manual
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Memorandum and Articles”</i>	:	The memorandum and articles of association of the Company
<i>“Notice of GM”</i>	:	The notice of the GM as set out on pages N1 to N4 of this Circular
<i>“NTA”</i>	:	Net tangible assets
<i>“PDTC”</i>	:	The Philippine Depository & Trust Corporation
<i>“PSE”</i>	:	The Philippine Stock Exchange
<i>“SFA”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share”</i>	:	Ordinary share(s) of US\$0.01 each in the capital of the Company
<i>“Shareholder”</i>	:	The registered holder/holders of the Shares except that where the registered holder is CDP or the PCD Nominee (in PDTC), the term <i>“Shareholders”</i> shall, in relation to such Shares and where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP or PDTC and into whose Securities Accounts those Shares are credited. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders’ Securities Account

DEFINITIONS

- “Share Purchase Mandate”* : A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in the Circular as well as the rules and regulations set forth in the the Listing Manual
- “Subsidiary”* : A company in which at least 50 per cent. of its shares is held by the Company and over which the Company has control
- “Substantial Shareholder”* : A Shareholder who has an interest in not less than five per cent. (5%) of the issued Shares
- “Take-over Code”* : The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
- “trading day”* : A day on which Shares are traded on the SGX-ST
- “Treasury Shares”* : Such shares as defined in the Act or any other statutory modification thereof. For the purpose of the Listing Rules, treasury shares will be excluded from references to “issued share capital” and “equity securities”, and for the calculation of market capitalization and public float where referred to in the Listing Manual
- “US\$” and “US cents”* : US dollar and cents respectively
- “%” or “per cent.”* : Per centum or percentage

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

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

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated. Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

LETTER TO SHAREHOLDERS

DEL MONTE PACIFIC LIMITED

(Incorporated in British Virgin Islands with limited liability on 27 May 1999)

Directors:

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

Registered Office:

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

13 August 2015

To: The Shareholders of Del Monte Pacific Limited

Dear Sir/Madam,

Circular to Shareholders in relation to the Proposed Adoption of the Share Purchase Mandate

1. INTRODUCTION

1.1 *General Meeting*

The Board is proposing to convene a GM to seek the Shareholders' approval in respect of the adoption of the Share Purchase Mandate.

1.2 *Purpose of this Circular*

The purpose of this Circular is to explain the reasons for, and to provide Shareholders with, information relating to the aforesaid proposal and to seek Shareholders' approval in relation thereto at the GM to be held at Anson Room 3, Level 2 of M Hotel, 81 Anson Road, Singapore 079908 on 28 August 2015 at 10.10 a.m.. The Notice of the GM is set out on pages N1 to N4 of this Circular.

This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.

2. THE PROPOSED ADOPTION OF SHARE PURCHASE MANDATE

2.1 *Background*

At a general meeting of the Company held on 27 April 2009, Shareholders had approved the adoption of a share purchase mandate to permit the Company to purchase or otherwise acquire its issued Shares. The said share purchase mandate was renewed for subsequent years but had expired on 15 April 2014.

As the Company is incorporated in the BVI, it is not subject to the Companies Act, Cap. 50. Therefore, any purchase or acquisition of Shares by the Company will have to be made in accordance with, and in the manner prescribed by the Act, the Memorandum and Articles, the Listing Manual, and such other laws and regulations as may for the time being be applicable.

LETTER TO SHAREHOLDERS

The Articles provide that any purchase of Shares by the Company shall be exercisable by the Board upon such terms and subject to such conditions as it thinks fit, and subject also to the Act, the Memorandum, and for so long as the Shares are listed on the SGX-ST (or any other stock exchange on which the Shares are quoted or listed), the prior approval of the Shareholders in general meeting. Accordingly, approval is being sought from Shareholders at the GM for the proposed Share Purchase Mandate and a motion will be proposed as an ordinary resolution at the GM whereby the Directors will be given the authority to exercise all powers of the Company to purchase issued Shares on the terms of the Share Purchase Mandate.

If the motion in relation to the proposed Share Purchase Mandate is approved by Shareholders at the GM, the authority conferred by the Share Purchase Mandate will continue in force until the date on which the next AGM is held or required by law or the Articles to be held (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next AGM), provided that the Share Purchase Mandate shall be valid for a period not exceeding 12 months from the date of the GM at which the Share Purchase Mandate is approved (the “**Approval Date**”).

2.2 *Rationale*

The rationale for the Company to undertake a purchase or acquisition of its Shares is as follows:

- (a) in managing the business of the Group, management will strive to increase Shareholders’ value by improving, inter alia, the return on equity of the Company. A share purchase may be considered as an avenue through which the return on equity of the Company may be enhanced.
- (b) The Share Purchase Mandate is an available option for the Company to return surplus cash over, if any, and above its ordinary capital requirements and possible investment needs of the Group to its Shareholders in an expedient and cost effective manner. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, inter alia, the Company’s share capital structure and its dividend policy.
- (c) Share purchase programmes help buffer short-term share price volatility and offset the effects of short-term speculators and investors and, in turn, bolster Shareholder confidence and employee morale.
- (d) Shares purchased by the Company and held in treasury may be transferred for the purposes of or, pursuant to employees share option or, award schemes.

Shareholders can be assured that purchases of its Shares by the Company would only be made in circumstances where it is considered to be in the best interests of the Company, after considering relevant factors such as working capital requirements, availability of financial resources, expansion and investment plans of the Group as a whole, the prevailing market conditions and the most cost-effective and efficient approach. Further, the Directors do not propose to carry out purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or Group.

The approval of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the said five per cent. (5%) limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full extent of five per cent. (5%) as authorised and no purchases or acquisitions of Shares will be made in circumstances which would have or may have a material adverse effect on the financial position of the Company.

LETTER TO SHAREHOLDERS

2.3 The Act and the Articles

Under the Act and the Articles, the purchase by the Company of its Shares may be made at a price lower than the fair value and may only be funded out of its surplus or in exchange for newly issued Shares of equal value. In particular, the purchase of its Shares may be funded out of surplus available for dividend or distribution, including its share premium account, before the Shares are purchased.

Surplus is defined by the Act as “the excess, if any, at the time of the determination, of the total assets of the company over the sum of its total liabilities, as shown in the books of account, plus its capital”. Capital is defined as “the sum of the aggregate par value of all outstanding shares with par value of the company and shares with par value held by the company as treasury shares plus (a) the aggregate of the amounts designated as capital of all outstanding shares without par value of the company and shares without par value held by the company as treasury shares, and (b) the amount as are from time to time transferred from surplus to capital by a resolution of directors”.

Under the Act and the Articles, no purchase by the Company of its own Shares can be effected unless the Directors have, before the purchase of Shares, determined the following:

- (a) that immediately after the purchase, redemption or acquisition, the Company will be able to satisfy its liabilities as they become due in the ordinary course of its business; and
- (b) the realisable value of the assets of the Company will not be less than the sum of its total liabilities, other than deferred taxes as shown in the books of accounts, and its capital; and in the absence of fraud, the decision of the Directors as to realisable value of the assets of the Company is conclusive.

To ensure that the Company complies with the statutory requirements, all purchases of Shares in accordance with the Share Purchase Mandate shall be subject to the prior review and endorsement of both the Chief Financial Officer and Chief Executive Officer of the Company based on guidelines determined by the Directors.

As at the Latest Practicable Date, the Directors confirm that the Company has sufficient Surplus available to purchase the maximum number of Shares permitted under the Share Purchase Mandate in accordance with the requirements of the Act.

The Company will, from time to time, evaluate the fair value of its Shares on the basis of its NTA backing, projected performance of the Company and industry market comparable to determine the appropriate time to purchase Shares in order to enhance Shareholders' value.

2.4 The Terms of the Share Purchase Mandate

The authority and limitations placed on purchases of Shares by the Company under the Share Purchase Mandate are summarised below.

2.4.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased is limited to that number of Shares representing not more than five per cent. (5%) of the total number of issued Shares (excluding any Treasury Shares held by the Company) as at the Approval Date.

LETTER TO SHAREHOLDERS

For illustrative purposes only, based on the existing issued share capital of the Company as at the Latest Practicable Date of 1,944,935,826 Shares, and excluding 900,420 Treasury Shares as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the GM, not more than 97,201,770 Shares (representing five per cent. (5%) of the issued Shares as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

2.4.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

- (a) the date on which the next AGM is held or required by law or the Articles to be held;
- (b) the date on which the share purchases pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by the Shareholders in a general meeting.

2.4.3 Manner of Purchase of Shares

The Company intends to comply with the Listing Manual in relation to its Share purchases or acquisitions pursuant to the Share Purchase Mandate notwithstanding the absence of any such requirements under the Act and/or in its Memorandum and Articles.

In accordance with the Listing Manual, purchases of Shares may be made by way of, inter alia:

- (a) market purchases (each a “Market Purchase”), transacted on the SGX-ST (or any other stock exchange on which the Shares may for the time being be listed or quoted), through one or more duly licensed stockbrokers/dealers appointed by the Company for the purpose; and/or
- (b) off-market purchases (each an “Off-Market Purchase”) (if effected otherwise than on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed or quoted) in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

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

An Off-Market Purchase must, however, satisfy all of the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and

LETTER TO SHAREHOLDERS

- (c) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (ii) differences (if applicable) in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares in board lots of 100 Shares after the Share Purchases, in the event that there are offeree Shareholders holding odd numbers of Shares.

In addition, the Listing Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share purchase;
- (d) the consequences, if any, of Share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share purchase, if made, would have any effect on the listing of the Shares on SGX-ST (or any other stock exchange on which the Shares may for the time being be listed or quoted);
- (f) details of any share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the issuer will be cancelled or kept as Treasury Shares.

2.4.4 Maximum Purchase Price

In the case of a Market Purchase, the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) (the “**Maximum Purchase Price**”) to be paid for the Shares will be determined by the Directors.

However, the Maximum Purchase Price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105 per cent. (105%) of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase, 130 per cent. (130%) multiplied by the average closing prices of the Shares over the last five consecutive Market Days on which transactions in the Shares were recorded immediately preceding the date on which the Company announces its intentions to make an offer for the purchase or acquisition of Shares stating therein the purchase price for each Share and the relevant terms of the equal access scheme effecting the Off-Market Purchase.

LETTER TO SHAREHOLDERS

in either case, excluding related expenses of the purchase.

For the above purposes:

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

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

“**market day**” means a day on which the SGX-ST is open for trading in securities.

2.5 Status of Purchased Shares Under the Share Purchase Mandate

Under the Act and the Articles, the Shares that are purchased or acquired by the Company may be cancelled or held as Treasury Shares (except to the extent that such shares are in excess of 80 per cent. (80%) of the issued Shares, in which case they shall be cancelled but they shall be available for reissue). The Company currently has 900,420 issued Shares held in treasury.

Shares purchased by the Company which are cancelled will be automatically de-listed by the SGX-ST (or any other stock exchange on which the Shares may for the time being be listed or quoted). Certificates in respect of cancelled purchased Shares will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase. The Shares purchased may be cancelled to further enhance the Company’s return on equity and increase the value of its equity for its Shareholders.

Shares purchased by the Company which are held in treasury shall only be treated as outstanding for the purposes of determining the capital of the Company. The Shares held in treasury shall not be entitled to vote or to have dividends paid thereon and are therefore considered disabled.

2.6 Treasury Shares

Under the Act, a company may, if authorised by its articles of association, purchase its own shares. The shares so purchased may either be cancelled (in which event, the Company’s issued, but not its authorised, capital will be diminished accordingly) or may be held as Treasury Shares. Under the laws of the BVI, if a company holds shares as Treasury Shares, the company shall be entered in the register of members as a member holding the shares but the company is not permitted to exercise any rights in respect of those shares (including any right to attend and vote at meetings) and no dividend or other distribution (whether in cash or otherwise) shall be paid or made to the Company in respect of such shares.

No acquisition by a company of its own shares to be held as Treasury Shares may be effected unless the Directors determine that immediately after the purchase that the Company will be able to satisfy its liabilities as they become due in the ordinary course of its business and the realisable value of the assets of the Company will not be less than the sum of its total liabilities, other than deferred taxes as shown in the books of accounts, and its capital; and, in the absence of fraud, the decision of the Directors as to the realisable value of the assets of the Company is conclusive.

LETTER TO SHAREHOLDERS

A company that acquires its own shares to be held as Treasury Shares may:

- (a) hold all or any of the shares;
- (b) dispose of or transfer all or any of the shares for cash or other considerations;
- (c) cancel all or any of the shares.

The Company may transfer any Treasury Shares for the purpose of or pursuant to an employee share option or award scheme. The number of Shares held as Treasury Shares cannot at any time exceed 80 per cent. (80%) of the total issued Shares.

2.7 Source of Funds for Share Purchase

In purchasing Shares pursuant to the proposed Share Purchase Mandate, the Company may only apply funds available for such purchases in accordance with the Act and its Articles. In particular, the purchase of Shares may only be funded out of the Company's Surplus.

The Company will principally use its internal sources of funds or external borrowings or a combination of both to finance the purchases or acquisitions of Shares, including its revenue reserves, pursuant to the Share Purchase Mandate.

Where the consideration paid by the Company for a purchase or acquisition of Shares is made out of distributable profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for a purchase or acquisition of Shares is made out of capital, the amount available for a distribution of cash dividends by the Company will not be reduced.

The Directors will consider the appropriate gearing level to ensure solvency. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the working capital requirements or investment ability of the Company would be materially and adversely affected. The purchase of the Shares will only be effected after considering relevant factors such as working capital requirements, availability of financial resources, expansion and investment plans of the Group as a whole and prevailing market conditions.

2.8 Financial Effects of the Share Purchase Mandate

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, inter alia, the aggregate number of Shares are purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or are cancelled.

The purchase of Shares, if cancelled, will result in a reduction in the capital of the Company by an amount equivalent to the par value of the Shares and in the Company's surplus, which consists of the share premium, translation reserves and revenue reserves ("**Distributable Reserves**") by the balance of the purchase price. If the capital of the Company is reduced by a cancellation of Shares, the Directors must have, before the cancellation, made determinations to ensure that:

- (a) the capital of the Company will not be reduced to an amount that is less than the sum of the aggregate par value of all outstanding shares with par value and all shares with par value held by the Company as Treasury Shares and the aggregate of the amounts designated as capital of all outstanding shares without par value and all shares without par value held by the Company as Treasury Shares that are entitled to a preference, if any, in the assets of the Company upon liquidation of the Company; and

LETTER TO SHAREHOLDERS

- (b) a reduction of capital will not be effected unless the Directors determine that immediately after reduction, the Company will be able to satisfy its liabilities as they become due in the ordinary course of business, and that the realisable value of the assets of the Company will not be less than its total liabilities other than deferred taxes, as shown in the books of account, and its remaining capital; and, in the absence of fraud, the decision of the Directors as to the realisable value of the assets of the Company is conclusive.

It is not possible for the Company to realistically calculate or quantify the impact of purchase that may be made pursuant to the proposed Share Purchase Mandate on the net asset value and EPS as it would largely depend, inter alia, on the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or cancelled. However, on the basis of the audited consolidated financial position of the Company as at 30 April 2015 (being the date to which the latest published audited financial statements of the Company have been made up) and, in particular, having regard to the amount of Distributable Reserves that are available for payment as dividends, the working capital and gearing position of the Company at that time and the number of Shares as at the Latest Practicable Date, the Directors consider that the purchase of up to the maximum number of Shares permitted by the Share Purchase Mandate during the period which the Share Purchase Mandate is expressed to be in force is not expected to have an adverse effect on the consolidated financial position of the Company.

For illustrative purposes only, based on the existing issued share capital of the Company as at the Latest Practicable Date of 1,944,935,826 Shares, and excluding 900,420 Treasury Shares as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the GM, the purchase by the Company of up to the maximum limit of five per cent. (5%) of its issued Shares will result in the purchase or acquisition of 97,201,770 Shares. It is assumed the Average Closing Price is S\$0.372 and using exchange rate of US\$1:S\$1.360.

In the case of a Market Purchase by the Company and assuming that the Company purchases or acquires 97,201,770 Shares at the Maximum Purchase Price of S\$0.391 or US\$0.288 for one Share (being the price equivalent to 105 per cent. (105%) above the average of the closing market prices of the Shares over the last five (5) Market Days preceding the day of the Market Purchase on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 97,201,770 Shares is S\$38,071,989 or US\$27,994,110. This calculation is based on the assumption that the purchase consideration will be funded 100 per cent. (100%) through bank loans at an interest rate of five per cent. (5%) per annum.

In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 97,201,770 Shares at the Maximum Purchase Price of S\$0.484 or US\$0.356 for one Share (being the price equivalent to 130 per cent. (130%) above the average of the closing market prices of a Share for the five Market Days on which transactions in the Shares were recorded, preceding the date of the announcement of the offer for the Off-Market Scheme, the maximum amount of funds required for the purchase or acquisition of 97,201,770 Shares is S\$47,061,209 or US\$34,603,830. This calculation is based on the assumption that the purchase consideration will be funded 100 per cent. (100%) through bank loans at an interest rate of five per cent. (5%) per annum.

Assuming the above, the financial effects of the:

- (i) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and held as Treasury Shares;
- (ii) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and cancelled;
- (iii) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of profits and held as Treasury Shares; and

LETTER TO SHAREHOLDERS

- (iv) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of profits and cancelled.

on the audited financial statements of the Group and the Company for the financial year ended 30 April 2015 are as follows:

- (i) Purchases made entirely out of capital and held as Treasury Shares

(US\$'000)	<----- Group ----->			<----- Company ----->		
	Before Share Purchase	After Share Purchase assuming Market Purchase	After Share Purchase assuming Off-Market Purchase	Before Share Purchase	After Share Purchase assuming Market Purchase	After Share Purchase assuming Off-Market Purchase
At 30 April 2015	334,075	334,075	334,075	274,624	274,624	274,624
Treasury share	(629)	(28,623)	(35,233)	(629)	(28,623)	(35,233)
Shareholders' funds	333,446	305,452	298,842	273,995	246,001	239,391
NTA	(426,254)	(454,248)	(460,858)	273,995	246,001	239,391
Current Assets	1,159,547	1,159,547	1,159,547	111,986	111,986	111,986
Current Liabilities	828,975	856,969	863,579	266,415	294,409	301,019
Working Capital	330,572	302,578	295,968	(154,429)	(182,423)	(189,033)
Total Borrowings	1,718,487	1,746,481	1,753,091	450,880	478,874	485,484
Cash and cash equivalents	35,618	35,618	35,618	6,126	6,126	6,126
Loss after tax and minority interest	(43,261)	(43,261)	(43,261)	(38,047)	(38,047)	(38,047)
Treasury shares ('000)	(900)	(98,102)	(98,102)	(900)	(98,102)	(98,102)
No. of outstanding shares ('000)	1,944,035	1,846,833	1,846,833	1,944,035	1,846,833	1,846,833
Financial Ratios						
NTA per Share (cents) ⁽¹⁾	(21.93)	(24.60)	(24.95)	14.09	13.32	12.96
Basic EPS (cents) ⁽²⁾	(2.74)	(2.04)	(2.04)	(2.74)	(2.04)	(2.04)
Net gearing (times) ⁽³⁾	5.05	5.60	5.75	1.62	1.92	2.00
Return on equity (%) ⁽⁴⁾	(14.81)	(15.55)	(15.74)	(16.64)	(17.72)	(18.00)

Notes:

(1) NTA per Share equals to NTA divided by the number of Shares outstanding as at 30 April 2015.

(2) Basic EPS equals to profit attributable to Shareholders divided by the weighted average number of Shares outstanding during the year ended 30 April 2015 of 1,390,811,406 Shares. Whereas, the basic EPS of After Share Purchase was computed based on the weighted average number of shares, as Latest Practicable Date, of 1,865,208,765.

(3) Net gearing equals to total borrowings net of cash and cash equivalents divided by Shareholders' funds.

(4) Return on equity equals profit after tax and minority interest divided by average Shareholders' funds.

LETTER TO SHAREHOLDERS

(ii) Purchases made entirely out of capital and cancelled

(US\$'000)	<----- Group ----->			<----- Company ----->		
	Before Share Purchase	After Share Purchase assuming Market Purchase	After Share Purchase assuming Off-Market Purchase	Before Share Purchase	After Share Purchase assuming Market Purchase	After Share Purchase assuming Off-Market Purchase
At 30 April 2015	334,075	334,075	334,075	274,624	274,624	274,624
Share capital	–	(972)	(972)	–	(972)	(972)
Share premium	–	(27,022)	(33,632)	–	(27,022)	(33,632)
Treasury shares	(629)	(629)	(629)	(629)	(629)	(629)
Shareholders' funds	333,446	305,452	298,842	273,995	246,001	239,391
NTA	(426,254)	(454,248)	(460,858)	273,995	246,001	239,391
Current Assets	1,159,547	1,159,547	1,159,547	111,986	111,986	111,986
Current Liabilities	828,975	856,969	863,579	266,415	294,409	301,019
Working Capital	330,572	302,578	295,968	(154,429)	(182,423)	(189,033)
Total Borrowings	1,718,487	1,746,481	1,753,091	450,880	478,874	485,484
Cash and cash equivalents	35,618	35,618	35,618	6,126	6,126	6,126
Loss after tax and minority interest	(43,261)	(43,261)	(43,261)	(38,047)	(38,047)	(38,047)
No. of outstanding shares ('000)	1,944,035	1,846,833	1,846,833	1,944,035	1,846,833	1,846,833
Financial Ratios						
NTA per Share (cents) ⁽¹⁾	(21.93)	(24.60)	(24.95)	14.09	13.32	12.96
Basic EPS (cents) ⁽²⁾	(2.74)	(2.04)	(2.04)	(2.74)	(2.04)	(2.04)
Net gearing (times) ⁽³⁾	5.05	5.60	5.75	1.62	1.92	2.00
Return on equity (%) ⁽⁴⁾	(14.81)	(15.55)	(15.74)	(16.64)	(17.72)	(18.00)

Notes:

(1) NTA per Share equals to NTA divided by the number of Shares outstanding as at 30 April 2015.

(2) Basic EPS equals to profit attributable to Shareholders divided by the weighted average number of Shares outstanding during the financial year ended 30 April 2015 of 1,390,811,406 Shares. Whereas, the basic EPS of After Share Purchase was computed based on the weighted average number of shares, as Latest Practicable Date, of 1,865,208,765.

(3) Net gearing equals to total borrowings net of cash and cash equivalents divided by Shareholders' funds.

(4) Return on equity equals profit after tax and minority interest divided by average Shareholders' funds.

LETTER TO SHAREHOLDERS

(iii) Purchases made entirely out of profits and held as Treasury Shares

(US\$'000)	<----- Group ----->			<----- Company ----->		
	Before Share Purchase	After Share Purchase assuming Market Purchase	After Share Purchase assuming Off-Market Purchase	Before Share Purchase	After Share Purchase assuming Market Purchase	After Share Purchase assuming Off-Market Purchase
At 30 April 2015	334,075	334,075	334,075	274,624	274,624	274,624
Treasury share	(629)	(28,623)	(35,233)	(629)	(28,623)	(35,233)
Shareholders' funds	333,446	305,452	298,842	273,995	246,001	239,391
NTA	(426,254)	(454,248)	(460,858)	273,995	246,001	239,391
Current Assets	1,159,547	1,159,547	1,159,547	111,986	111,986	111,986
Current Liabilities	828,975	856,969	863,579	266,415	294,409	301,019
Working Capital	330,572	302,578	295,968	(154,429)	(182,423)	(189,033)
Total Borrowings	1,718,487	1,746,481	1,753,091	450,880	478,874	485,484
Cash and cash equivalents	35,618	35,618	35,618	6,126	6,126	6,126
Loss after tax and minority interest	(43,261)	(43,261)	(43,261)	(38,047)	(38,047)	(38,047)
Treasury shares ('000)	(900)	(98,102)	(98,102)	(900)	(98,102)	(98,102)
No. of outstanding shares ('000)	1,944,035	1,846,833	1,846,833	1,944,035	1,846,833	1,846,833
Financial Ratios						
NTA per Share (cents) ⁽¹⁾	(21.93)	(24.60)	(24.95)	14.09	13.32	12.96
Basic EPS (cents) ⁽²⁾	(2.74)	(2.04)	(2.04)	(2.74)	(2.04)	(2.04)
Net gearing (times) ⁽³⁾	5.05	5.60	5.75	1.62	1.92	2.00
Return on equity (%) ⁽⁴⁾	(14.81)	(15.55)	(15.74)	(16.64)	(17.72)	(18.00)

Notes:

(1) NTA per Share equals to NTA divided by the number of Shares outstanding as at 30 April 2015.

(2) Basic EPS equals to profit attributable to Shareholders divided by the weighted average number of Shares outstanding during the year ended 30 April 2015 of 1,390,811,406 Shares. Whereas, the basic EPS of After Share Purchase was computed based on the weighted average number of shares, as Latest Practicable Date, of 1,865,208,765.

(3) Net gearing equals to total borrowings net of cash and cash equivalents divided by average Shareholders' funds.

(4) Return on equity equals profit after tax and minority interest divided by average Shareholders' funds.

LETTER TO SHAREHOLDERS

(iv) Purchases made entirely out of profits and cancelled

(US\$'000)	<----- Group ----->			<----- Company ----->		
	Before Share Purchase	After Share Purchase assuming Market Purchase	After Share Purchase assuming Off-Market Purchase	Before Share Purchase	After Share Purchase assuming Market Purchase	After Share Purchase assuming Off-Market Purchase
At 30 April 2015	334,075	334,075	334,075	274,624	274,624	274,624
Revenue reserves	-	(27,994)	(34,604)	-	(27,994)	(34,604)
Treasury shares	(629)	(629)	(629)	(629)	(629)	(629)
Shareholders' funds	333,446	305,452	298,842	273,995	246,001	239,391
NTA	(426,254)	(454,248)	(460,858)	273,995	246,001	239,391
Current Assets	1,159,547	1,159,547	1,159,547	111,986	111,986	111,986
Current Liabilities	828,975	856,969	863,579	266,415	294,409	301,019
Working Capital	330,572	302,578	295,968	(154,429)	(182,423)	(189,033)
Total Borrowings	1,718,487	1,746,481	1,753,091	450,880	478,874	485,484
Cash and cash equivalents	35,618	35,618	35,618	6,126	6,126	6,126
Loss after tax and minority interest	(43,261)	(43,261)	(43,261)	(38,047)	(38,047)	(38,047)
No. of outstanding shares ('000)	1,944,035	1,846,833	1,846,833	1,944,035	1,846,833	1,846,833
Financial Ratios						
NTA per Share (cents) ⁽¹⁾	(21.93)	(24.60)	(24.95)	14.09	13.32	12.96
Basic EPS (cents) ⁽²⁾	(2.74)	(2.04)	(2.04)	(2.74)	(2.04)	(2.04)
Net gearing (times) ⁽³⁾	5.05	5.60	5.75	1.62	1.92	2.00
Return on equity (%) ⁽⁴⁾	(14.81)	(15.55)	(15.74)	(16.64)	(17.72)	(18.00)

Notes:

(1) NTA per Share equals to NTA divided by the number of Shares outstanding as at 30 April 2015.

(2) Basic EPS equals to profit attributable to Shareholders divided by the weighted average number of Shares outstanding during the year ended 30 April 2015 of 1,390,811,406 Shares. Whereas, the basic EPS of After Share Purchase was computed based on the weighted average number of shares, as Latest Practicable Date, of 1,865,208,765.

(3) Net gearing equals to total borrowings net of cash and cash equivalents divided by Shareholders' funds.

(4) Return on equity equals profit after tax and minority interest divided by average Shareholders' funds.

LETTER TO SHAREHOLDERS

The disclosed financial effects remain the same irrespective of whether:

- (a) the purchase of Shares are affected out of capital or profits, or
- (b) the purchase of Shares are held in treasury or cancelled.

Shareholders should note that the financial effects set out above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the latest audited financial statements of the Company as at 30 April 2015 and is not necessarily representative of the future financial performance of the Company. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to five per cent. (5%) of the issued Shares, the Company may not necessarily purchase or acquire the entire five per cent. (5%) of the issued Shares. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased as Treasury Shares.

Shareholders should also note however, that the actual financial impact of purchases of Shares will depend, inter alia, on the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or are cancelled. The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company.

It is not the purpose of the Share Purchase Mandate to assist any Shareholder or its concert parties to obtain or consolidate effective control of the Company. The Directors will decide when, how many and on what terms to purchase any Shares pursuant to the Share Purchase Mandate in the interests of the Company and its Shareholders as a whole, taking into consideration relevant factors such as the financial effects of such purchases on the Company, working capital requirements, availability of financial resources, the expansion and investment plans of the Company and prevailing market conditions. If it becomes necessary for funds to be borrowed, the Directors will consider the appropriate gearing level to ensure the solvency of the Company. The proposed Share Purchase Mandate will only be exercised with a view to enhance the EPS of the Group.

2.9 Listing Rules

2.9.1 The Listing Rules provide that a listed company shall report all purchases or acquisitions of its Shares to SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its Shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement must include details of the total number of Shares purchased and the purchase price per Share or the highest and lowest prices paid for such Shares and any other information required under the Listing Rules, as applicable.

2.9.2 While the Listing Rules do not expressly prohibit any purchase of shares by a listed company of its own shares during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase of its issued shares, the Company will not undertake any Purchase of Shares pursuant to the proposed Share Purchase Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of a decision until such price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by SGX-ST, the Company will not purchase or acquire any shares pursuant to the proposed Mandate during the period commencing two weeks immediately preceding the announcement of the Company’s financial statements for each of the first three quarters of its financial year and one month immediately preceding the announcement of the Company’s financial statements of its full-year results and ending on the date of the announcement of the relevant results.

LETTER TO SHAREHOLDERS

2.9.3 The Listing Rules also require a listed company to ensure that at least ten per cent. (10%) of its Shares is at all times held by the public. The “public”, as defined under the Listing Manual, are persons other than the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as associates of such persons.

As at the Latest Practicable Date, 513,852,997 Shares representing 26.43 per cent. (26.43%) of the issued share capital of the Company are held in the hands of the public by an aggregate of 8,116 Shareholders. In the event that the Company purchases the maximum of five per cent. (5%) of its issued ordinary share capital from such public Shareholders, the resultant percentage of the issued Shares held by the public Shareholders would be reduced to approximately 17.30 per cent. (17.30%). Accordingly, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake purchases and acquisitions of the Shares up to the full five per cent. (5%) limit pursuant to the proposed Share Purchase Mandate without affecting adversely the listing status of the Shares on the SGX-ST.

The Directors will endeavour to ensure that any purchase of Shares pursuant to the Share Purchase Mandate will not:

- (a) adversely affect the listing status of the Shares on the SGX-ST;
- (b) cause market illiquidity; or
- (c) adversely affect the orderly trading of the Shares on the SGX-ST.

2.10 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.11 Take-Over Obligations

An increase in a Shareholder’s proportionate interest in the voting rights of the Company resulting from a Share purchase by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Under Rule 14 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory takeover offer if, inter alia, he and persons acting in concert with him increase their voting rights in the Company to 30 per cent. (30%) or more or, if they, together hold between 30 per cent. (30%) but not more than 50 per cent. (50%) of the Company’s voting rights, increase their voting rights in the Company by more than one per cent. (1%) in any period of six (6) months.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company. Unless the contrary is established, the following persons will, inter alia, be presumed to be acting in concert:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies and any company whose associated companies include any of the above companies, any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by its directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;

LETTER TO SHAREHOLDERS

- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, with its clients in respect of the shareholdings of (i) the adviser and the persons controlling, controlled by or under the same control as the adviser; and (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent. (10%) or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, and any person who is accustomed to act in accordance with the instructions of the individual and companies controlled by any of the above; and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, ownership or control of at least 20 per cent. (20%) but not more than 50 per cent. (50%) of the voting rights of a company will be regarded as the test for associated company status.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them will incur an obligation to make a takeover offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company as set out in Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 is that:

- (a) unless exempted, directors of a company and persons acting in concert with them will incur an obligation to make a takeover offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such directors and their concert parties would increase to 30 per cent. (30%) or more, or if the voting rights of such directors and their concert parties fall between 30 per cent. (30%) and 50 per cent. (50%) of the Company's voting rights, the voting rights of such directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months; and
- (b) a Shareholder who is not acting in concert with directors will not be required to make a takeover offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30 per cent. (30%) or more, or if the voting rights of such directors and their concert parties fall between 30 per cent. (30%) and 50 per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Mandate.

LETTER TO SHAREHOLDERS

2.12 Application of the Singapore Code on Takeovers and Mergers

2.12.1 Background

As at the Latest Practicable Date, the Controlling Shareholders of the Company are –

- NutriAsia Pacific Ltd
- NutriAsia Holdings Limited
- NutriAsia Inc
- Golden Chamber Investment Limited
- Well Grounded Limited
- Star Orchid Limited
- HSBC Finance (Netherlands)
- HSBC International Trustee Limited
- HSBC Holdings plc
- HSBC Private Banking Holdings (Suisse) SA
- HSBC Trustee (Hong Kong) Limited
- Mr Joselito D Campos, Jr

2.12.2 Application of the Take-over Code to the proposed Share Purchase Mandate

In the event that the Company undertakes Share purchases under the Share Purchase Mandate up to the maximum of five per cent. (5%) of the issued share capital of the Company as permitted, the shareholding and voting rights of the Controlling Shareholders will increase to 82.70 per cent. (82.70%). As the Controlling Shareholders, being presumed to be concert parties under the Take-over Code, in aggregate hold more than 50 per cent. (50%) of the issued share capital of the Company, any increase in their shareholding pursuant to Share Purchases undertaken by the Company would not result in them incurring a take-over obligation pursuant to Rule 14 of the Take-over Code.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of Directors and Substantial Shareholders of our Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders respectively, were as follows:

Directors	Number of Shares					
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾	Total	% ⁽¹⁾
Rolando C Gapud	1,463,140	0.075	–	–	1,463,140	0.075
Joselito D Campos, Jr	7,621,466	0.392	1,303,256,961	67.038 ⁽²⁾	1,310,878,427	67.430
Edgardo M Cruz, Jr	2,881,635	0.148	–	–	2,881,635	0.148
Patrick L Go	–	–	–	–	–	–
Dr Emil Q Javier	534,851	0.027	–	–	534,851	0.027
Benedict Kwek Gim Song	–	–	–	–	–	–
Godfrey E Scotchbrook	–	–	–	–	–	–

LETTER TO SHAREHOLDERS

Substantial Shareholders	Number of Shares					
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾	Total	% ⁽¹⁾
Bluebell Group Holdings Limited	142,857,471 ⁽¹¹⁾	7.348 ⁽³⁾⁽⁴⁾	–	–	142,857,471	7.348
Golden Sunflower International Limited	–	–	142,857,471	7.348 ⁽³⁾	142,857,471	7.348
NutriAsia Pacific Ltd.	1,155,030,190	59.414 ⁽⁵⁾	–	–	1,155,030,190	59.414
NutriAsia Holdings Limited	–	–	1,155,030,190	59.414 ⁽⁵⁾	1,155,030,190	59.414
NutriAsia Inc	–	–	1,155,030,190	59.414 ⁽⁵⁾	1,155,030,190	59.414
Golden Chamber Investment Limited	–	–	1,155,030,190	59.414 ⁽⁶⁾	1,155,030,190	59.414
Star Orchid Limited	–	–	1,155,030,190	59.414 ⁽⁶⁾	1,155,030,190	59.414
Well Grounded Limited	–	–	1,155,030,190	59.414 ⁽⁶⁾	1,155,030,190	59.414
HSBC Holdings plc	–	–	1,303,256,961	67.038 ⁽⁷⁾	1,303,256,961	67.038
HSBC International Trustee Limited	–	–	1,303,256,961	67.038 ⁽⁷⁾	1,303,256,961	67.038
HSBC Private Banking Holdings (Suisse) SA	–	–	1,303,256,961	67.038 ⁽⁷⁾	1,303,256,961	67.038
HSBC Trustee (Hong Kong) Limited	–	–	1,303,256,961	67.038 ⁽⁷⁾	1,303,256,961	67.038
HSBC Finance (Netherlands)	–	–	1,303,256,961	67.038 ⁽⁷⁾	1,303,256,961	67.038
Joselito D Campos, Jr	7,621,466	0.392	1,303,256,961	67.038 ⁽²⁾⁽⁴⁾⁽⁷⁾	1,310,878,427	67.430
Lee Foundation	–	–	106,854,000	5.496 ⁽⁸⁾	106,854,000	5.496
Lee Pineapple Company (Pte) Limited	100,422,000	5.165	6,432,000	0.331 ⁽⁹⁾	106,854,000	5.496
Lee Foundation, States of Malaya	–	–	106,854,000	5.496 ⁽¹⁰⁾	106,854,000	5.496

Notes:

- (1) The percentage of issued capital is calculated based on 1,944,035,406 shares (being 1,944,935,826 shares excluding 900,420 treasury shares).
- (2) NutriAsia Pacific Limited (“NPL”) is a substantial and controlling shareholder of the Company, holding 1,155,030,190 shares in the Company. Mr Joselito D Campos, Jr (“JDC”) being an associate of NPL is deemed to be interested in the shares held by NPL.
- (3) Bluebell Group Holdings Limited (“BGHL”) is wholly owned by Golden Sunflower International Limited (“GSIL”). GSIL is therefore deemed interested in the shares of the listed company held by BGHL.
- (4) GSIL is wholly owned by HSBC Trustee (Hong Kong) Limited (“HKL”). HKL is the trustee of Twin Palms Pacific Trust (“TPPT”), the beneficiaries of which are JDC and his children and JDC is therefore interested in the shares held by BGHL.
- (5) NutriAsia Inc (“NI”) owns 57.8% of NutriAsia Holdings Limited (“NHL”), which in turn owns 100% of NPL. NI is therefore deemed to be interested in the shares held by NPL.
- (6) NPL holds 1,155,030,190 shares in the Company. NPL is wholly owned by NHL. NHL is therefore deemed interested in the shares held by NPL. NHL is in turn majority owned by NI (57.8%) and partly owned by Well Grounded Limited (“WGL”) (42.2%). NI and WGL are therefore deemed interested in the shares held by NPL. NI is in turn majority owned by Golden Chamber Investment Limited (“GCIL”) (65.4%) and WGL is in turn wholly owned by Star Orchid Limited (“SOL”). GCIL and SOL are therefore deemed interested in the shares held by NPL.

LETTER TO SHAREHOLDERS

- (7) GCIL and SOL are wholly owned by two separate trusts (Twin Palms Pacific Trust and the Star Orchid Trust respectively) for which HKL acts as trustee. HKL is therefore deemed interested in the shares of the Company held by NPL. The beneficiaries of the Star Orchid Trust are beneficially owned by the Campos family.

BGHL is wholly owned by GSIL. GSIL is in turn wholly owned by HKL. HKL is in turn, wholly owned by HSBC International Trustee Limited. HSBC International Trustee Limited is therefore deemed interested in the shares held by NPL and BGHL.

HSBC International Trustee Limited is wholly owned by HSBC Private Banking Holdings (Suisse) SA. HSBC Private Banking Holdings (Suisse) SA is therefore deemed interested in the shares held by NPL.

HSBC International Trustee Limited is the trustee of the Twin Palms Pacific Trust, the beneficiaries of which are JDC and his children. HSBC Holdings Plc, HSBC International Trustee Limited, HKL and GCIL are therefore deemed to be interested in the shares held by NPL.

HSBC Private Banking Holdings (Suisse) SA is in turn, wholly owned by HSBC Finance (Netherlands). HSBC Finance (Netherlands) is therefore deemed interested in the shares held by NPL.

- (8) 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.
- (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.
- (10) 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.
- (11) BGHL had on 20 July 2015 transferred 142,857,471 shares to its nominees, HSBC (Singapore) Nominees Pte Ltd.

4. PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HAND

Based on the information provided, to the best knowledge of the Directors and Substantial Shareholders of the Company, approximately 26.43 per cent. (26.43%) of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGXST.

5. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the adoption of the proposed Share Purchase Mandate is in the best interests of the Shareholders and the Company, and accordingly recommend Shareholders to vote in favour of the ordinary resolution relating thereto to be proposed at the GM as set out in the Notice of GM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Plan and Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading, and where the Circular contains a profit forecast, the Directors are satisfied that the profit forecast has been stated after due and careful enquiry.

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

LETTER TO SHAREHOLDERS

7. GENERAL MEETING

The GM, notice of which is set out on pages N1 to N4 of this Circular, will be held on Friday, 28 August 2015, at 10.10 am at Anson Room 3, Level 2 of M Hotel, 81 Anson Road, Singapore 079908, for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolutions as set out in the Notice of the GM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the GM and who wish to appoint a proxy to attend and vote at the GM on their behalf should complete, sign and return the proxy form attached to the Notice of GM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the offices of the Company's Share Transfer Agent in Singapore, or at the offices of the Company's Share Transfer Agent in the Philippines, as the case may be, not less than forty-eight (48) hours before the time fixed for the GM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the GM if he wishes to do so.

A Depositor shall not be regarded as a Shareholder entitled to attend the GM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP or PDTTC, as at forty-eight (48) hours before the GM.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Company Secretary's office situated at 38 Beach Road, South Beach Tower, #29-11, Singapore 189767 of the Company during normal business hours from the date of this Circular up to and including the date of the GM:

- (a) the Memorandum and the Articles of the Company; and
- (b) the Annual Report of the Company for FY2015.

Yours faithfully
For and on behalf of
the Board of Directors of Del Monte Pacific Limited

Rolando C Gapud
Executive Chairman

NOTICE OF GENERAL MEETING

DEL MONTE PACIFIC LIMITED

(Incorporated in the British Virgin Islands with limited liability on 27 May 1999)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the General Meeting (the “**GM**”) of the shareholders of Del Monte Pacific Limited (the “**Company**”) will be held on Friday, 28 August 2015 at 10.10 a.m. (or immediately following the conclusion or adjournment of the Annual General Meeting (“**AGM**”) to be held at 10.00 a.m. on the same day and at the same place), at Anson Room 3, Level 2 of M Hotel, 81 Anson Road, Singapore 079908, for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolutions, as Ordinary Resolutions:

1. THE PROPOSED ADOPTION OF SHARE PURCHASE MANDATE

THAT:

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

- (i) market purchases (each a “**Market Purchase**”), transacted on the SGX-ST (or any other stock exchange on which the Shares may be listed or quoted), through one or more duly licensed stockbrokers/dealers appointed by the Company for the purpose; and/or
- (ii) off-market purchases (each an “**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed or quoted) in accordance with any equal access schemes as may be determined or formulated by the Board as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

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

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

- (i) the date on which the next AGM of the Company is held;
- (ii) the date by which the next AGM of the Company is required by law to be held; or
- (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

“**Prescribed Limit**” means that number of Shares representing 5% of the issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares);

NOTICE OF GENERAL MEETING

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

- (i) in the case of a Market Purchase, 105 per cent. (105%) of the Average Closing Price (as defined hereafter); and
- (ii) in the case of an Off-Market Purchase of a Share, 130 per cent. (130%) of the Average Closing Price (as defined hereafter).

where:

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

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

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

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

[See Explanatory Note (i)]

(Resolution 1)

- 2. To appoint Ernst & Young LLP as the new Auditors of the Group in place of the retiring Auditors, KPMG LLP, and to authorise the Board to fix their remuneration.

[See Explanatory Note (ii)]

(Resolution 2)

- 3. To approve the appointment of Sycip Gorres Velayo & Co. (Ernst & Young Philippines) as the Philippine Auditors of the Group and to authorise the Board to fix their remuneration.

[See Explanatory Note (iii)]

(Resolution 3)

By Order of the Board

Tan San-Ju
Secretary
13 August 2015

NOTICE OF GENERAL MEETING

Explanatory Notes to Resolutions to be passed –

- (i) The Ordinary Resolution 1 proposed in item 1 above, if passed, will empower the Board, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or the date on which purchases and acquisitions of shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earlier, to repurchase Shares by way of market purchases or off-market purchases of up to 5% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Purchase Price. Information relating to this proposed Resolution are set out in Circular attached.
- (ii) The Ordinary Resolution 2 proposed in item 2 above, is to approve the appointment of Ernst & Young LLP as new Auditors of the Group, in place of the retiring Auditors, KPMG LLP. Please refer to the enclosed Letter to Shareholders dated 13 August 2015, providing information and rationale on the proposed change of Auditors.
- (iii) The Ordinary Resolution 3 proposed in item 3 above, is to approve the appointment of Sycip Gorres Velayo & Co. (Ernst & Young Philippines) as the Philippine Auditors of the Group. Please refer to the enclosed Letter to Shareholders dated 13 August 2015, providing information and rationale on the proposed appointment of the Philippine Auditors.

A. Notes for Singapore Shareholders:

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

B. Notes for Philippine Shareholders:

- 1. Proceedings of the GM in Singapore will be made available to Philippine Shareholders via a videoconference facility at the 1st Floor, JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, Metro Manila Philippines.
- 2. While electronic poll voting is not available to Philippine Shareholders who are unable to attend the GM in Singapore, they will still be able to vote by manual poll voting in Manila. However, Philippine shareholders who wish to attend the GM in Singapore will be able to participate in the electronic poll voting. To facilitate registration, please bring a valid government-issued ID.
- 3. Philippine Shareholders who wish to vote but cannot attend either the GM in Singapore or the videoconference in the Philippines may still do so by appointing a proxy to attend the meeting in Singapore or in Manila. He/she must complete the enclosed proxy form and submit the same on or before 26 August 2015 at 10.10 am to the Company's Philippine Stock Transfer Agent, BDO Unibank Inc., at its office address at the Securities Services and Corporate Agencies Dept., 15F South Tower, BDO Corporate Centre, 7899 Makati Avenue, Makati City, 0726 Philippines, for the attention of Ms. Adora A. Yanga, Vice-President.
- 4. Only Shareholders at record date at the close of business on 26 August 2015 are entitled to attend and vote at the GM.
- 5. Philippine Shareholders may also be entitled to appoint not more than two (2) proxies to attend in his/her stead. A proxy need not be a Member or Shareholder of the Company.

NOTICE OF GENERAL MEETING

6. Validation of proxies shall be held on 27 August 2015 at the office of the Philippine Stock Transfer Agent.

Personal data privacy:

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