

# POSSIBLE MANDATORY CONDITIONAL CASH OFFER

by



**J.P. MORGAN (S.E.A.) LIMITED**  
(Company Registration No. 198500154W)  
(Incorporated in Singapore)

for and on behalf of  
**First Pacific Brands Limited**  
(Incorporated in Bermuda)  
a wholly-owned subsidiary of



**First Pacific Company Limited**  
(Incorporated in Bermuda)

to acquire all the issued ordinary shares of US\$0.01 each in the capital of

**Del Monte Pacific Limited**  
(Incorporated in the British Virgin Islands)

## Introduction

1. J.P. Morgan (S.E.A.) Limited wishes to announce for and on behalf of First Pacific Company Limited ("**First Pacific**") and its wholly-owned subsidiary, First Pacific Brands Limited (the "**Offeror**"), that on 9 November 2005 First Pacific entered into a conditional share purchase agreement (the "**Share Purchase Agreement**") with Cirio Finanziaria S.p.A. in Amministrazione Straordinaria ("**CF**") and Del Monte Holdings Limited ("**DMH**") pursuant to which First Pacific agreed, directly or through a wholly-owned subsidiary, to purchase from DMH and DMH agreed to and CF agreed to procure DMH to sell to First Pacific an aggregate of 428,570,000 ordinary shares of US\$0.01 each in the capital of Del Monte Pacific Limited ("**Del Monte**") (the "**Sale Shares**") (representing approximately 39.72% of the issued share capital of Del Monte as at 30 June 2005) for a consideration of US\$0.3818 per Sale Share (the "**Consideration**") or an aggregate amount of US\$163,628,026. The purchase of the Sale Shares, if completed, will be made by the Offeror.

## Conditions Precedent

2. The agreement to sell and purchase the Sale Shares and completion of the Share Purchase Agreement is conditional upon satisfaction of the following conditions:-
  - (a) MCI Pool Members (as defined in the Shareholders and Voting Pool Agreement entered into between MCI, Inc. and DMH dated 23 July 1999 (the "**Voting Pool Agreement**") not having validly exercised the pre-emption

rights (which are applicable to a majority of the Sale Shares) under the Voting Pool Agreement;

- (b) the passing at a special general meeting of First Pacific of a resolution to approve the acquisition of the Sale Shares and the Offer (as defined hereinafter); and
- (c) since the date of the last published audited consolidated accounts of Del Monte and its subsidiaries (the "Group") :-
  - (i) no material adverse change having occurred in the assets, business, financial condition, profits, liabilities, or results of operations of the Group taken as a whole or in the ability of the Group to continue conducting its business following completion of the acquisition of the Sale Shares in the same manner as it is presently being conducted;
  - (ii) no litigation, arbitration or other legal proceedings having been instituted or threatened against any member of the Group that can reasonably be expected to have a material adverse effect on the financial or trading position of the Group taken as a whole or on the ability of the Group to continue conducting its business following completion of the acquisition of the Sale Shares in the same manner as it is presently being conducted; and
  - (iii) no member of the Group having taken any action outside the ordinary course of its business that can reasonably be expected of having a material adverse effect on the financial or trading position of the Group taken as a whole.

In the event that condition 2(c) is not satisfied, First Pacific will consult the Securities Industry Council prior to making a decision as to whether to invoke the condition and terminate the acquisition pursuant to the Share Purchase Agreement.

- 3. If the conditions are not satisfied or waived (where permissible) on or before 31 January 2006, any party may give notice to terminate the Share Purchase Agreement and the agreement will thereupon terminate and save as expressly provided therein, cease to have any effect and the Offer will not be made. Accordingly, all references to the Offer in this Announcement refer to the possible Offer which will only be made if and when the Share Purchase Agreement shall be completed.

#### **Potential Offer**

- 4. In the event that completion of the Share Purchase Agreement takes place, the Offeror will be obliged, in compliance with Rule 14 of the Singapore Code on Takeovers and Mergers, to make a mandatory conditional cash offer (the "Offer") to acquire all the issued shares in the capital of Del Monte other than those already owned, controlled or agreed to be acquired by the Offeror or parties acting in concert with it at the date of the Offer (the "Offer Shares") at a price equivalent to the Consideration per Offer Share or any higher price paid by the Offeror and parties acting in concert with it in the 6 months preceding the Offer.

### Terms of the Offer, if made

5. Subject to completion of the Share Purchase Agreement, the Offer will be made by the Offeror for the Offer Shares subject to the terms and conditions set out in the offer document (the "**Offer Document**") to be issued by the Offeror.
6. The Offer, if made will be on the following basis :-

**For each Offer Share :- the price of US\$0.3818 in cash.**

The Offer Price will be the same as the price per share in US\$ for the Sale Shares under the Share Purchase Agreement. Del Monte Shareholders will be given an option to elect to receive the S\$ equivalent of the Offer Price. Further details on the settlement of the consideration will be provided in due course.

The Offer Shares are to be acquired fully-paid and free from all liens, charges, pledges and other encumbrances and together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and hereafter attaching thereto, including the right to all dividends, rights and other distributions (if any) declared, made or paid thereon on or after the date of this Announcement.

7. The Offer if and when made, will be extended on the same terms and conditions, to all new shares in the capital of Del Monte ("**Del Monte Shares**") unconditionally issued or to be issued pursuant to the exercise prior to the close of the Offer of any options to subscribe for new Del Monte Shares under the Del Monte Pacific Executive Stock Option Plan (the "**Options**") and for the avoidance of doubt, Offer Shares shall include such new Del Monte Shares.
8. The Offer, if made, will be conditional upon the Offeror having received by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the number of Del Monte Shares owned, controlled or agreed to be acquired by the Offeror or parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of Del Monte Shares carrying more than 50% of the voting rights attributable to the issued share capital of Del Monte at the close of the Offer (including any voting rights attributable to Del Monte Shares issued or to be issued pursuant to the valid exercise of the Options prior to the close of the Offer). Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which will result in the Offeror and parties acting in concert with it holding such number of Del Monte Shares carrying more than 50% of the maximum potential issued share capital of Del Monte. For this purpose, the "maximum potential issued share capital of Del Monte" means the total number of Del Monte Shares which would be in issue had all the Options been validly exercised as at the date of such declaration.
9. The conditions of the Offer will be set out in detail in the announcement of the Offer, if and when made.

### Offer Document

10. If completion of the Share Purchase Agreement is effected, the Offeror will announce a firm intention to make the Offer and the formal Offer Document containing the terms and conditions of the Offer and enclosing the appropriate forms of acceptance of the

Offer, will be despatched to shareholders of Del Monte not earlier than 14 days and not later than 21 days from such announcement.

#### **Information relating to First Pacific**

11. The First Pacific Group is a Hong Kong-based investment and management company with operations located in Southeast Asia. Its principal business interests relate to telecommunications and consumer food products.

The Offeror is a company incorporated in Bermuda and is a wholly-owned subsidiary of First Pacific. Its principal activities are that of an investment holding company and its main business is to buy the Sale Shares and to make the Offer.

#### **Information relating to Del Monte**

12. Del Monte was incorporated in the British Virgin Islands in 1999. It has been listed on the Singapore Exchange Securities Trading Limited since 2 August 1999. Del Monte is the holding company in the Del Monte Group. The Del Monte Group is engaged in the production, marketing and distribution of premium-branded food and beverage products. The Del Monte Group owns the Del Monte brand in the Philippines and holds exclusive rights to produce and distribute food and beverage products under the Del Monte brand in India. According to Del Monte, it operates one of the world's largest fully integrated pineapple operations and has long-term supply agreements with other Del Monte trademark owners and licensees around the world.

As at 9 November 2005 being the latest practicable date prior to the issue of this Announcement, Del Monte had a market capitalisation of approximately S\$593,365,957 (assuming there has been no change to its issued share capital since 30 June 2005, being the date to which Del Monte's most recent published interim financial statements were made up). The audited consolidated net profit of Del Monte for the year ended 31 December 2004 was approximately US\$28.1 million after tax and US\$33.2 million before tax and the audited consolidated net profit of Del Monte for the year ended 31 December 2003 was approximately US\$30.2 million after tax and US\$31.9 million before tax respectively. The audited consolidated net assets of Del Monte as at 31 December 2004 and 31 December 2003 were approximately US\$157.6 million and US\$149.3 million, respectively.

#### **Rationale for the Offer**

13. The acquisition under the Share Purchase Agreement and the Offer, when completed, will represent a strategic acquisition by the First Pacific Group in line with its stated objective of driving growth through acquisitions in the food and telecommunications sectors.

The transaction as a whole presents the First Pacific Group with an opportunity to acquire a significant interest in a food business with strong brands and well-established operations. The Board of Directors of First Pacific believes that the combination of the First Pacific Group's expertise in the food sector within Southeast Asia and Del Monte's presence in the Philippines, India and China will result in a branded food business with a diverse range of products and significant growth potential.

## Overseas Shareholders

14. The making of the Offer to shareholders of Del Monte whose addresses are outside Singapore as shown in the register of Del Monte or, as the case may be, in the records of The Central Depository (Pte) Limited ("**Overseas Shareholders**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves and observe any applicable legal requirements. Further details in relation to Overseas Shareholders will be set out in the Offer Document.

Where there are potential restrictions on sending the Offer Document to any overseas jurisdiction, the Offeror reserves the right not to send the Offer Document to such overseas jurisdiction. Any affected Overseas Shareholder may nonetheless obtain a copy of the Offer Document from the office of Del Monte's share registrar in Singapore Lim Associates (Pte) Ltd of 10 Collyer Quay, #19-08, Ocean Building, Singapore 049315. Alternatively, an Overseas Shareholder may write to Del Monte's share registrar to request the Offer Document to be sent to an address in Singapore by ordinary post at his own risk.

## Indicative Timetable

15. The following is an indicative timetable relating to the conditions set out in the Share Purchase Agreement and the posting of the Offer, if made :-

Indicative Date	Event
9 November 2005	Announcement of the Possible Mandatory Offer
By 15 January 2006	Expected date of Completion of the Share Purchase Agreement
On Completion of the Share Purchase Agreement	Announcement of the Offer
Not earlier than 14 days and not later than 21 days after the date of the Offer Announcement	Despatch of the Offer Document

## Responsibility Statement

16. The Directors of the Offeror (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or publicly available sources, the sole responsibility of the Directors of the Offeror has been to ensure through reasonable enquiries that such information has been accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.

Issued by

J.P. Morgan (S.E.A.) Limited  
for and on behalf of  
First Pacific Brands Limited  
9 November 2005