

Board Approval on the issuance of 2 billion Preferred Shares

Below is the requested additional information on the disclosure dated September 2, 2023 regarding the approval by the Company's Board of Directors of the issuance of 2 billion unlisted preferred shares at Php0.01/share to Lush Properties Inc. ("LPI") and the subsequent signing of the subscription agreement relating to the said issuance.

1. Description of the proposed transaction including the timetable for implementation, and related regulatory requirements;

The transaction involves the issuance of 2 billion preferred shares of FRUIT to Lush Properties Inc. ("LPI" or the "Subscriber") at a subscription price of Php0.01/share (also equivalent to its par value).

The preferred shares shall have the following characteristics: (i) shall have voting rights; (ii) shall be entitled to cumulative dividends at a rate of 2.5% per annum of its par value; (iii) shall not be entitled to pre-emptive rights; and (iv) shall not be convertible into any preferred or common shares.

FRUIT's Board of Directors approved on September 2, 2023 the issuance of 2 billion preferred shares to LPI. The Subscription Agreement was signed by FRUIT and the Subscriber and the subscription amount was received by FRUIT on the same day. Currently, there is no intent for the preferred shares to be listed on the PSE or any other exchange

2. Rationale for the transaction including the benefits which are expected to be accrued to the listed issuer as a result of the transaction;

As the Company pursues its growth ambitions, it may raise additional capital, including potentially additional equity. The issuance of the preferred shares to a Filipino investor eliminates the restriction on the nationality of investors (whether Filipino or foreign) which may enter the Company in the future.

Likewise, the terms of the preferred shares have already been set out in the Articles of Incorporation.

3. The basis upon which the consideration or the issue value was determined;

As disclosed, the subscription price for the preferred shares was set equal to the par value stated in the Corporation's Articles of Incorporation.

4. Corporate background of LPI;

Having diverse assets in food and beverage, real estate and other industries, LPI is a holding company established in the Philippines. LPI has built a portfolio of businesses that add value by serving end-consumers and obtaining returns on its various

investments. LPI uses basic economic investing methodologies in conjunction with hands-on, active management to achieve superior returns on its investments.

LPI is 97% owned by Mr. Lester Yu.

5. Effects in the Company's ownership structure and capital structure before and after the transaction;

Principal Shareholders	Before		After	
	Number of Shares	%	Number of Shares	%
Lush Properties Inc.				
➤ Preferred Shares	0	0%	2,000,000,000	27.3%
➤ Common Shares	1,127,500,000	52.8%	1,127,500,000	48.4%

6. Effect(s) on the business, financial condition and operations of the Company, if any;

The business, financial situation, and operations of the Company are not anticipated to be significantly impacted by the transaction.

7. The interest which directors of the parties to the transaction have in the transaction;

Mr. Lester Yu and Ms. Madelene Timbas-Sayson are common directors of LPI and FRUIT.

8. Statement as to the steps to be taken, if any, to safeguard the interests of any independent shareholders;

Mr. Lester Yu and Ms. Madelene Timbas-Sayson did not participate in the discussions and approval of the issuance of FRUIT preferred shares to LPI.

9. Any conditions precedent to closing of the transaction; and

There are no conditions precedent to the closing of the transaction. The transaction closed on September 2, 2023.

10. Any other relevant information.

None