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Miscellaneous	
* Asterisks denote mandatory information	
Name of Announcer *	FRASER AND NEAVE, LIMITED
Company Registration No.	189800001R
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Announcement is submitted with respect to *	FRASER AND NEAVE, LIMITED
Announcement is submitted by *	Anthony Cheong Fook Seng
Designation *	Group Company Secretary
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**>> Announcement Details**  
The details of the announcement start here ...

Announcement Title \* PROPOSED RESTRUCTURING AND SALE OF INTEREST IN HEINEKEN-APB (CHINA) PTE LTD

Description Please see attached.

**Attachments**

-  FNL-Announcement-130711.pdf
-  APBL-Announcement-130711.pdf
-  APBL-Press-Release-130711.pdf

Total size = **335K**  
(2048K size limit recommended)

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## FRASER AND NEAVE, LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 189800001R)

### PROPOSED RESTRUCTURING AND SALE OF INTEREST IN HEINEKEN-APB (CHINA) PTE LTD

The Company announces that Asia Pacific Breweries Limited (“**APBL**”) and Asia Pacific Investment Pte Ltd (“**APIPL**”) have today reached an agreement (the “**Agreement**”) with China Resources Snow Breweries Limited (the “**Purchaser**”) for the sale of all the issued shares (the “**Transaction Shares**”) in the share capital of Heineken-APB (China) Pte Ltd (“**HAPBC**”) held by each of APBL and APIPL (the “**Proposed Transaction**”). APBL is a subsidiary of APIPL, which is in turn equally owned by the Company and the Heineken group. HAPBC is held 50:50 by APBL and APIPL. As part of the Proposed Transaction, the name of HAPBC will be changed before completion (“**Completion**”).

As at the date of this Announcement, HAPBC holds:

- (1) 100% of the registered capital of each of
  - (a) Guangzhou Asia Pacific Brewery Co. Ltd (“**GAPB**”);
  - (b) Heineken APB (China) Management Services Co. Ltd (“**HAPBCMC**”);
  - (c) Hainan Asia Pacific Brewery Co. Ltd (“**HAPCO**”);
  - (d) Heineken Trading (Shanghai) Co. Ltd (“**HTS**”); and
  - (e) Shanghai Asia Pacific Brewery Co. Ltd (“**SAPB**”), and
  
- (2) 49% of the registered share capital of Jiangsu Dafuhao Breweries Co. Ltd (“**DFH**”).

GAPB, HAPBCMC, HAPCO and HTS are collectively known as the “**Non-Sale PRC Interests**” and SAPB and DFH are collectively known as the “**Sale Interests**”.

APBL and APIPL are currently undertaking a restructuring exercise to transfer HAPBC’s Non-Sale PRC Interests to Heineken-APB (China) Holding Pte. Ltd. (“**HAPBH**”), which is also held 50:50 between APBL and APIPL. On completion of the restructuring exercise, HAPBC will only hold the Sale Interests. The restructured HAPBC will be sold to the Purchaser. The Proposed Transaction is expected to complete in approximately 3 months.

The “Heineken”, “Tiger” and “Anchor” businesses in SAPB are not part of the Sale Interests and shall be transferred to a newly set-up wholly owned subsidiary of HAPBH.

The aggregate consideration (the “**Consideration**”) for the Transaction Shares is RMB 870 million (equivalent to approximately S\$162 million) to be received equally between APBL and APIPL subject to adjustment in the event that DFH increases its registered capital or issues securities convertible into its shares after the date of the Agreement and before Completion, and HAPBC subscribes for such share capital or securities in DFH offered to HAPBC. In such an event, the amount of Consideration shall be increased by the amount paid by HAPBC for such subscription (if any).

The Consideration was arrived at after arm's length negotiations and on a willing-buyer willing-seller basis, after taking into account the carrying value of Sale Interests, the current market conditions and the minority interests in DFH. At Completion, the Consideration will be paid in cash in USD based on an agreed exchange rate mechanism.

The Proposed Transaction is subject to an anti-monopoly examination by the relevant PRC authorities.

Based on the latest unaudited consolidated accounts of the HAPBC group as at 31 May 2011, the book value of the Transaction Shares amounted to approximately S\$93.2 million. The Consideration represents a gain of approximately S\$46.6 million after deducting related expenses. By virtue of its interests in APBL and APIPL, the Company's share of the gain on disposal is approximately S\$20.9 million.

Save as disclosed above in this Announcement, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction.

A copy each of APBL's announcement to Singapore Exchange Securities Trading Limited and press release today is attached for information.

BY ORDER OF THE BOARD

Anthony Cheong Fook Seng  
Group Company Secretary  
13 July 2011



## ASIA PACIFIC BREWERIES LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 193100007K)

### PROPOSED RESTRUCTURING AND SALE OF INTEREST IN HEINEKEN-APB (CHINA) PTE LTD

The Board of Directors of Asia Pacific Breweries Limited (“**APBL**”) is pleased to announce that together with its controlling shareholder, Asia Pacific Investment Pte Ltd (“**APIPL**”), it has today reached an agreement (the “**Agreement**”) with a purchaser, China Resources Snow Breweries Limited (the “**Purchaser**”), for the sale of all the issued shares (the “**Transaction Shares**”) in the share capital of Heineken-APB (China) Pte Ltd (“**HAPBC**”) which are held by each of APBL and APIPL to the Purchaser (the “**Proposed Transaction**”). HAPBC is held 50:50 by APBL and APIPL and APIPL in turn is held 50:50 by the Heineken group and Fraser and Neave, Limited. As part of the Proposed Transaction, the name of HAPBC will be changed before completion (“**Completion**”).

As at the date of this Announcement, HAPBC holds 100% of the registered capital of each of

- (a) Guangzhou Asia Pacific Brewery Co. Ltd (“**GAPB**”)
- (b) Heineken APB (China) Management Services Co. Ltd (“**HAPBCMC**”);
- (c) Hainan Asia Pacific Brewery Co. Ltd (“**HAPCO**”);
- (d) Heineken Trading (Shanghai) Co. Ltd (“**HTS**”); and
- (e) Shanghai Asia Pacific Brewery Co. Ltd (“**SAPB**”);

and 49% of the registered share capital of Jiangsu Dafuhao Breweries Co. Ltd (“**DFH**”).

GAPB, HAPBCMC, HAPCO and HTS are collectively known as the “**Non-Sale PRC Interests**” and SAPB and DFH are collectively known as the “**Sale Interests**”.

APBL and APIPL are currently undertaking a restructuring exercise to transfer the Non-Sale PRC Interests held by HAPBC to Heineken-APB (China) Holding Pte. Ltd. (“**HAPBH**”), which is held 50:50 between APBL and APIPL. On the completion of such restructuring exercise, HAPBC will only hold the Sale Interests. The restructured HAPBC will be sold to the Purchaser. The Proposed Transaction is expected to complete in approximately 3 months.

The Heineken, Tiger and Anchor businesses in SAPB are not part of the Sale Interests and shall be transferred to a newly set-up wholly owned subsidiary of HAPBH.

The aggregate consideration (the “**Consideration**”) for the Transaction Shares is RMB 870,000,000 (equivalent to approximately S\$162 million) to be received equally between APBL and APIPL subject to the adjustment that if DFH increases its registered capital or issues securities convertible into its shares after the date of the Agreement and before Completion, HAPBC shall subscribe for such share capital or securities in DFH offered to HAPBC and the amount of Consideration shall be increased by the amount paid by HAPBC in respect of such subscription (if any).

The disposal is in line with the Company's strategic direction in PRC and taking into account our minority interests in DFH.

The Consideration was arrived at after arm's length negotiations and on a willing-buyer willing-seller basis, after taking into account the carrying value of Sale Interests, the current market conditions and the minority interests in DFH. At Completion, the Consideration will be paid in cash in USD based on an agreed exchange rate mechanism.

The Proposed Transaction is subject to an anti-monopoly examination by the relevant PRC authorities.

The Consideration represents a gain of approximately S\$46.6 million after deducting related expenses. By virtue of its 50% stake in HAPBC, APBL's share of the gain on disposal is approximately S\$23.3 million.

Based on the latest unaudited consolidated accounts of the HAPBC group as at 31 May 2011, the book value of the Transaction Shares amounted to approximately S\$93.2 million.

Save as disclosed above in this Announcement, none of the directors or controlling shareholders of APBL has any interest, direct or indirect, in the Proposed Transaction.

A copy of the press release issued by APBL today is attached for information.

BY ORDER OF THE BOARD

Anthony Cheong Fook Seng  
Company Secretary  
13 July 2011



## ASIA PACIFIC BREWERIES LIMITED

438 Alexandra Road #16-01 Alexandra Point Singapore 119958 Tel: (65) 6276 3488 Fax: (65) 6276 4287  
Company Registration No.: 193100007K (Incorporated in the Republic of Singapore)

### PRESS RELEASE

#### **APB Restructures China Investments To Focus On International Premium Brand Strategy**

- ***Divests HAPBC's 49% stake in Jiangsu Dafuhao and ownership of Shanghai-based brewery***
- ***Intensifies International Premium Brand Strategy Across China***
- ***Underlines commitment to the China beer market with further expansions at breweries in Guangzhou and Hainan***

13 July 2011 - Forging ahead with its premium brand strategy in China, Asia Pacific Breweries Ltd (APB), together with Asia Pacific Investment Pte Ltd<sup>1</sup>, is divesting its stakes in Jiangsu Dafuhao Breweries Co., Ltd (DFH) and Shanghai Asia Pacific Brewery Company Limited (SAPB) via the sale of all the issued shares in Heineken-APB (China) Pte Ltd<sup>2</sup> (HAPBC) to China Resources Snow Breweries Limited.

The proposed RMB870 million transaction (equivalent to approximately S\$162 million) excludes its beer brands, *Tiger*, *Heineken* and *Anchor*, as well as the following entities:

- Guangzhou Asia Pacific Brewery Co Ltd;
- Heineken APB (China) Management Services Co. Ltd;
- Hainan Asia Pacific Brewery Co. Ltd; and
- Heineken Trading (Shanghai) Co Ltd.

<sup>1</sup> *Asia Pacific Investment Pte Ltd is a 50-50 joint venture between the Heineken group and Fraser and Neave, Limited.*

<sup>2</sup> *Heineken-APB (China) Pte Ltd is a 50-50 joint venture between APB and Asia Pacific Investment Pte Ltd*

The sale price represents a gain of approximately S\$46.6 million after deducting related expenses. By virtue of its 50% stake in HAPBC, APB's share of the gain on disposal is approximately S\$23.3 million.

The rationalisation is aligned with the Group's plan to take its international premium brands, *Tiger* and *Heineken*, to yet another level of success in the world's largest beer market and to ensure the optimisation of its production capacities in China.

Elaborating, Mr Roland Pirmez, Chief Executive Officer, APB said, "*The three key pillars of our international premium brand strategy comprise a distinctive portfolio of international beer brands; strategic marketing and extensive distribution; and optimal production facilities. As DFH and SAPB do not align with this strategy, it only makes business sense for us to divest both assets. Going forward, we shall further optimise our production capacities in Hainan and newly-commissioned brewery in Guangzhou to cater to the demand for our beers in China.*"

The international premium brand strategy is designed to ride on rising affluence, growing urbanisation and increasing consumer sophistication in China. In 2010, China consumed 448 million hectolitres of beer, 6.3% higher than the year before. Its 12-million hectolitre premium segment has benefited from this trend of premiumisation, resulting in an increasing desire for fine quality international beers.

To capitalise on the opportunities and secure a national presence across China, APB has established an extensive sales and regional network in most parts of China. Complementing this is its strategic marketing that leverages the strong brand equity and international success of *Tiger* and *Heineken* while beer supplies will be tapped from the breweries in Hainan and Guangzhou.

To fulfill strong demand for *Tiger* and *Heineken* which have been experiencing double-digit growth as well as to ensure the supply of beers nationwide, the Group is expanding production capacities in Hainan and Guangzhou to 2 million and 1.5 million hectolitres respectively. The developments will mark a 33% increase in production capacity at the Hainan brewery while that of the newly-commissioned Guangzhou brewery will improve by 50%.

The transaction is expected to complete in approximately three months.

-End-

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