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Acquisitions and Disposals :: Very Substantial Acquisition or Reverse Takeover :: PRE-CONDITIONAL MANDATORY CASH OFFER FOR SHARES OF ASIA PACIFIC BREWERIES LIMITED

* Asterisks denote mandatory information

Name of Announcer *	ASIA PACIFIC BREWERIES LTD
Company Registration No.	193100007K
Announcement submitted on behalf of	ASIA PACIFIC BREWERIES LTD
Announcement is submitted with respect to *	ASIA PACIFIC BREWERIES LTD
Announcement is submitted by *	Anthony Cheong Fook Seng
Designation *	Company Secretary
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	PRE-CONDITIONAL MANDATORY CASH OFFER FOR SHARES OF ASIA PACIFIC BREWERIES LIMITED
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Description	Please see attached.
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Attachments

 APBL-Pre-Conditional-Mandatory-Cash-Offer-21.8.12.pdf
 Pre-conditional_Mandatory_Cash_Offer_Announcement_dtd_17_08_2012.pdf
 Total size = **394K**
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ASIA PACIFIC BREWERIES LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 193100007K)

PRE-CONDITIONAL MANDATORY CASH OFFER FOR SHARES OF ASIA PACIFIC BREWERIES LIMITED

1. THE PRE-CONDITIONAL MANDATORY CASH OFFER

Asia Pacific Breweries Limited (the "**Company**") refers to:

- (i) the announcement (the "**F&NL Announcement**") made by Fraser and Neave, Limited ("**F&NL**") dated 18 August 2012 in relation to its entry into two separate conditional sale and purchase agreements (collectively, the "**F&NL Sale and Purchase Agreements**") with Heineken International B.V. (the "**Offeror**"), which is a wholly-owned subsidiary of Heineken N.V., to sell, *inter alia*, its direct and indirect interests in the Company to the Offeror (the "**Heineken Proposed Acquisitions**"). A copy of the F&NL Announcement was attached to the announcement released by the Company on 18 August 2012; and
- (ii) the announcement (the "**Pre-Conditional Offer Announcement**") dated 17 August 2012 by Credit Suisse (Singapore) Limited and Citigroup Global Markets Singapore Pte. Ltd., for and on behalf of the Offeror, that the Offeror is required and intends to, on completion of the Heineken Proposed Acquisitions, make a mandatory general cash offer (the "**Offer**") for all ordinary shares ("**Shares**") in the issued and paid-up capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror and its related corporations. A copy of the Pre-Conditional Offer Announcement is attached to this Announcement and is also available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com.

Shareholders are advised to review, in conjunction with this Announcement, the F&NL Announcement and Pre-Conditional Offer Announcement in their entirety.

2. MAKING OF THE OFFER

According to the Pre-Conditional Offer Announcement, the Offer will not be made unless and until the conditions precedent in the F&NL Sale and Purchase Agreements (the "**Conditions Precedent**") are satisfied and/or waived and completion of the Heineken Proposed Acquisitions occurs in accordance with the terms of the F&NL Sale and Purchase Agreements.

Based on the Pre-Conditional Offer Announcement (read together with the F&NL Announcement):

- (i) the Conditions Precedent in respect of the F&NL Sale and Purchase Agreement relating to F&NL's indirect interests in the Company (the "**APIPL Sale Shares**"), which are held through Asia Pacific Investment Pte Ltd (**APIPL**), are as follows:
 - (a) the approval of the shareholders of F&NL being obtained at an extraordinary general meeting of the Vendor to be convened to approve the Heineken Proposed Acquisitions (the "**F&NL EGM**");
 - (b) all necessary approvals under applicable competition laws having been obtained from the relevant competition authorities in the relevant jurisdictions where the members of the APIPL group have been incorporated and/or have operations (if so required), in particular, the Competition Commission of Singapore having made a favourable decision that the Proposed Acquisitions and the Offer will not, if carried into effect, infringe the prohibition under Section 54 of the Competition Act (Cap. 50B) of Singapore and if such consents or approvals are subject to any conditions, such conditions being capable of adherence by the party concerned and if such conditions are required to be fulfilled before completion of the Heineken Proposed Acquisitions, such conditions being so fulfilled;
 - (c) all other necessary consents, approvals and waivers required under applicable laws and regulations and/or from the relevant authorities for the Heineken Proposed Acquisitions and all other transactions in connection therewith or incidental thereto, being granted and not being withdrawn or revoked before completion of the Heineken Proposed Acquisitions, and if such consents, approvals and waivers are obtained subject to any conditions and where such conditions affect any of the parties, such conditions being capable of adherence by the party concerned, and if such conditions are required to be fulfilled before completion of the Heineken Proposed Acquisitions, such conditions being so fulfilled;
 - (d) all representations and warranties of the parties contained in the F&NL Sale and Purchase Agreement pertaining to the APIPL Sale Shares being true and accurate from the date of signing until completion of the sale and purchase of the APIPL Sale Shares; and
 - (e) the completion of the sale and purchase of the APIPL Sale Shares taking place contemporaneously with the completion of the sale and purchase of F&NL direct interests in the Company (the "**APB Sale Shares**"), and
- (ii) the Conditions Precedent in respect of the F&NL Sale and Purchase Agreement relating to F&NL's direct interests in the Company (the "**APB Sale Shares**") are as follows:
 - (a) the approval of the shareholders of F&NL being obtained at the F&NL EGM; and

- (b) the completion of the sale and purchase of the APB Sale Shares taking place contemporaneously with the completion of the sale and purchase of the APIPL Sale Shares.

3. INDEPENDENT FINANCIAL ADVISER

The board of directors of the Company will in due course appoint an independent financial adviser (“**IFA**”) to advise the directors of the Company who are regarded as independent for the purposes of the Offer under the Singapore Code on Take-overs and Mergers (the “**Independent Directors**”). If and when the Offer is made, a circular containing the advice of the IFA and the recommendation of the Independent Directors will be sent to the shareholders of the Company (“**Shareholders**”) within 14 days from the date of the despatch of the offer document containing the terms and conditions of the Offer to be issued by the Offeror.

Shareholders should note that there is no certainty that the Offer will be made, as the Offer will only be made if the Conditions Precedent are satisfied and/or waived and the completion of the Heineken Proposed Acquisitions occurs. The Company will update Shareholders in due course and make appropriate announcements at the relevant time.

In the meantime, Shareholders are advised to refrain from taking any action in relation to their shares of the Company which may be prejudicial to their interests, and to exercise caution when dealing in their shares of the Company.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and the directors of the Company jointly and severally accept full responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the F&NL Announcement and Pre-Conditional Offer Announcement), the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

BY ORDER OF THE BOARD

Anthony Cheong Fook Seng
Company Secretary

21 August 2012

PRE-CONDITIONAL MANDATORY CASH OFFER

by



Credit Suisse (Singapore) Limited
(Company Registration Number 197702363D)
(Incorporated in the Republic of Singapore)

Citigroup Global Markets Singapore Pte. Ltd.
(Company Registration Number 199002673E)
(Incorporated in the Republic of Singapore)

for and on behalf of



Heineken International B.V.
(Company Registration Number. 33103545)
(Incorporated in the Netherlands)

to acquire all the issued ordinary shares in the capital of

Asia Pacific Breweries Limited
(Company Registration Number 19310007K)
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired by the Offeror (as defined below) and its related corporations

1. INTRODUCTION

1.1. The Proposed Acquisitions

1.1.1 Credit Suisse (Singapore) Limited ("**Credit Suisse**") and Citigroup Global Markets Singapore Pte. Ltd. ("**Citi**" and with Credit Suisse, collectively, the "**Financial Advisers**"), refer to the press release dated 20 July 2012 (the "**Press Release**") made by Heineken N.V. ("**HEINEKEN**") and the press release made by HEINEKEN on 3 August 2012.

1.1.2 The Financial Advisers now wish to announce for and on behalf of Heineken International B.V. (the "**Offeror**"), a wholly-owned subsidiary of HEINEKEN, that the Offeror has today entered into two separate conditional sale and purchase agreements (the "**Agreements**") with Fraser and Neave, Limited (the "**Vendor**") for the purchase by the Offeror and the sale by the Vendor, of the following shares:

- (a) 41,175,000 ordinary shares and 31,766,808 preference shares ("**APIPL Sale Shares**") in the issued and paid-up capital of Asia Pacific Investment Pte Ltd ("**APIPL**"), representing 50% of the entire issued and paid-up share capital of APIPL as of the date of this Announcement; and

- (b) 18,753,887 ordinary shares (“**APB Sale Shares**” and collectively with the APIPL Sale Shares, the “**Sale Shares**”) in the issued and paid-up capital of Asia Pacific Breweries Limited (the “**Offeree**”), representing approximately 7.26% of the entire issued and paid-up share capital of the Offeree as of the date of this Announcement,

(the “**Proposed Acquisitions**”).

The consideration payable by the Offeror for the Sale Shares is determined on the following basis:

- (a) S\$53 for each APB Share (as defined below) held by F&N directly or through APIPL; and
 - (b) S\$163 million for F&N’s interest in the non-APB assets held by APIPL.
- 1.1.3 Completion of the Proposed Acquisitions is subject to the fulfilment of the conditions precedent in the Agreements, referred to in paragraphs 2.1 and 2.2 of this Announcement (the “**Conditions Precedent**”).
 - 1.1.4 As of the date of this Announcement, APIPL owns 167,333,732 shares in the issued and paid-up capital of the Offeree (the “**APB Shares**”), representing approximately 64.80% of the entire issued and paid-up share capital of the Offeree.
 - 1.1.5 As of the date of this Announcement, the Offeror and its related corporations own (a) 41,175,000 ordinary shares and 31,766,808 preference shares in the issued and paid-up capital of APIPL, representing 50% of the entire issued and paid-up share capital of APIPL, and (b) 24,513,560 APB Shares representing approximately 9.49% of the entire issued and paid-up share capital of the Offeree. Please refer to paragraph 12 of, and the Appendix to, this Announcement, for further information on the Offeror’s interest in APB Shares as of the date of this Announcement.
 - 1.1.6 Upon completion of the Proposed Acquisitions, the Offeror and its related corporations will have an aggregate direct and indirect interest of approximately 81.56% in the Offeree, as follows:
 - (a) APIPL would become a wholly-owned subsidiary of the Offeror and the Offeror would therefore acquire control of 167,333,732 APB Shares held by APIPL, representing approximately 64.80% of the entire issued and paid-up share capital of the Offeree as of the date of this Announcement; and
 - (b) the Offeror’s direct interest in the Offeree would increase from approximately 9.49% to approximately 16.76% of the entire issued and paid-up share capital of the Offeree.

1.2. **Pre-Conditional Mandatory General Cash Offer**

Subject to the fulfillment and/or waiver of the Conditions Precedent and in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”), the Offeror is required and intends to, on completion of the Proposed Acquisitions, make a mandatory general cash offer (the “**Offer**”) for all the APB Shares, other than those

already owned, controlled or agreed to be acquired by the Offeror and its related corporations (the “Offer Shares”).

THE OFFER WILL NOT BE MADE UNLESS AND UNTIL THE CONDITIONS PRECEDENT ARE SATISFIED AND/OR WAIVED AND COMPLETION OF THE PROPOSED ACQUISITIONS OCCURS IN ACCORDANCE WITH THE TERMS OF THE AGREEMENTS. ACCORDINGLY, ALL REFERENCES TO THE OFFER IN THIS ANNOUNCEMENT REFER TO THE PRE-CONDITIONAL MANDATORY GENERAL CASH OFFER WHICH WILL ONLY BE MADE IF AND WHEN THE CONDITIONS PRECEDENT OF THE PROPOSED ACQUISITIONS ARE SATISFIED AND/OR WAIVED AND COMPLETION OCCURS IN ACCORDANCE WITH THE TERMS OF THE AGREEMENTS.

SHAREHOLDERS OF THE OFFEREE SHOULD EXERCISE CAUTION AND SEEK APPROPRIATE INDEPENDENT ADVICE WHEN DEALING IN THE APB SHARES.

2. CONDITIONS PRECEDENT TO THE PROPOSED ACQUISITIONS

2.1. APIPL Sale Shares

Completion of the sale and purchase of the APIPL Sale Shares will be effected upon the satisfaction and/or waiver of the following Conditions Precedent:

- (a) the approval of the shareholders of the Vendor being obtained at an extraordinary general meeting of the Vendor to be convened to approve the Proposed Acquisitions (“Vendor EGM”);
- (b) all necessary approvals under applicable competition laws having been obtained from the relevant competition authorities in the relevant jurisdictions where the members of the APIPL group have been incorporated and/or have operations (if so required), in particular, the Competition Commission of Singapore having made a favourable decision that the Proposed Acquisitions and the Offer will not, if carried into effect, infringe the prohibition under Section 54 of the Competition Act (Cap. 50B) of Singapore;
- (c) all other necessary consents, approvals and waivers required under applicable laws and regulations and/or from the relevant authorities for the Proposed Acquisitions and all other transactions in connection therewith or incidental thereto, being granted and not being withdrawn or revoked before completion of the Proposed Acquisitions, and if such consents, approvals and waivers are obtained subject to any conditions and where such conditions affect any of the parties, such conditions being capable of adherence by the party concerned, and if such conditions are required to be fulfilled before completion of the Proposed Acquisitions, such conditions being fulfilled before completion; and
- (d) all representations and warranties of the parties contained in the Agreement pertaining to the APIPL Sale Shares being true and accurate from the date of signing until completion.

2.2. APB Sale Shares

Completion of the sale and purchase of the APB Sale Shares will be effected upon the satisfaction and/or waiver of the following Conditions Precedent:

- (a) the approval of the shareholders of the Vendor being obtained at the Vendor EGM; and

- (b) the completion of the sale and purchase of the APB Sale Shares taking place contemporaneously with the completion of the sale and purchase of the APIPL Sale Shares.

3. OTHER SALIENT TERMS OF THE AGREEMENTS

3.1. Vendor Board Recommendation

The Board of Directors of the Vendor confirmed that:

- (a) it has resolved to recommend to its shareholders to vote their shares in the Vendor in favour of the resolution to approve the Proposed Acquisitions, at the Vendor EGM (the “**Vendor Board Recommendation**”);
- (b) the Vendor Board Recommendation will not be revoked, qualified, supplemented or amended; and
- (c) the circular to be issued by the Vendor to its shareholders in connection with the Proposed Acquisitions will contain the Vendor Board Recommendation.

3.2. No Increase Statement to be Included in Offer Announcement

The Offeror agreed to incorporate in the Offer Announcement (as defined below) a statement as to the finality of its Offer Price (as defined below), without reserving any right to set aside such no increase statement.

3.3. Exclusivity

The Vendor, its subsidiaries, their respective directors, employees, agents and representatives, are not allowed, during the term of the Agreements, to:

- (a) solicit or engage in discussions or negotiations regarding the making or acceptance of an alternative offer, or proposal for the making or acceptance of an alternative offer, for the Sale Shares or any proposal involving the potential acquisition of a substantial direct interest of APIPL or APB; or
- (b) accept any alternative offer for the Sale Shares.

3.4. Break Fee

Subject to the terms of the Agreements, the Vendor agreed to pay to the Offeror a break fee of S\$55,913,000 if the Proposed Acquisitions do not complete by the Long Stop Date (as defined below):

- (a) as a result of shareholders of the Vendor voting against the Proposed Acquisitions at the Vendor EGM; or
- (b) as a result of the Board of Directors of the Vendor withholding the Vendor Board Recommendation from the circular to be issued to the shareholders of the Vendor in connection with the Proposed Acquisitions, or if such Vendor Board Recommendation has been given, the Board of Directors of the Vendor revoking the Vendor Board Recommendation at any time before the Vendor EGM, unless

the approval of the shareholders of the Vendor is obtained for the Proposed Acquisitions at the Vendor EGM notwithstanding such withholding or revocation; or

- (c) due to the default of the Vendor in carrying out its obligations under the Agreement, other than for reasons beyond its control.

The Offer will not be made unless the Conditions Precedent are satisfied and/or waived and the completion of the Proposed Acquisitions occurs by 15 December 2012 (the “Long Stop Date”).

4. OFFER ANNOUNCEMENT AND DESPATCH OF OFFER DOCUMENT

4.1. Offer Announcement

If and when the Conditions Precedent are satisfied and/or waived and completion of the Proposed Acquisitions occurs, the Financial Advisers for and on behalf of the Offeror, will announce the firm intention on the part of the Offeror to make the Offer (the “**Offer Announcement**”).

4.2. Offer Document

The formal document setting out the terms of the Offer and enclosing the appropriate forms of acceptance of the Offer (the “**Offer Document**”) will thereafter be despatched to the shareholders of the Offeree not earlier than 14 days and not later than 21 days from the date of the Offer Announcement.

However, if the Conditions Precedent are not satisfied and/or waived and completion of the Proposed Acquisitions does not occur by the Long Stop Date, the Offer will not be made and the Financial Advisers, for and on behalf of the Offeror, will issue an announcement confirming that fact as soon as reasonably practicable.

5. DETAILS OF THE OFFER

5.1. Unconditional

The Offer, if and when made, will be unconditional in all respects.

5.2. Terms of the Offer

- (a) The Offer will be extended to the Offer Shares.
- (b) The Offer, if and when made, will be on the following basis:

For each Offer Share: S\$53 in cash (the “Offer Price”).

- (c) The Offer Shares will be acquired (i) fully-paid; (ii) free from any claims, securities, options, power of sale, hypothecation, liens, equities, mortgages, charges, encumbrances, rights of pre-emption and any other third party rights, retention of title and interests of any nature whatsoever; and (iii) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and thereafter attaching thereto (including all voting rights and the right to receive and retain all dividends and other distributions and return of capital (if any) which may be announced, declared, paid or made thereon by the

Offeree on or after the date of this Announcement together with all interest accrued thereon). If any dividends, other distribution or return of capital is declared, made or paid on or after the date of this Announcement, the Offeror shall reduce the Offer Price by the amount of such dividends, distribution or return of capital.

5.3. Options

As at the date of this Announcement, there are outstanding options (the “**Options**”) to subscribe for new APB Shares granted under the Offeree’s Executives’ Share Option Scheme (the “**Scheme**”). The Offer, if and when made, will be extended, on the same terms and conditions, to all new APB Shares unconditionally issued or to be issued pursuant to the valid exercise of any outstanding Options or otherwise, prior to the close of the Offer. For the purposes of the Offer, the expression “**Offer Shares**” shall include such new APB Shares.

6. SHARE OPTIONS

6.1. The Scheme

The Financial Advisers, for and on behalf of the Offeror, will not make an offer to acquire the Options (although, for the avoidance of doubt and as mentioned in paragraph 5.3 of this Announcement, the Offer will be extended to all APB Shares issued or to be issued pursuant to the valid exercise of the Options on or prior to the close of the Offer). Instead, simultaneously with the Offer (if and when made), the Financial Advisers will, for and on behalf of the Offeror, make a proposal (the “**Options Proposal**”) to optionholders. Under the Options Proposal, subject to the relevant Options continuing to be exercisable into new APB Shares, the Offeror will pay to such optionholders a cash amount (as determined below) (the “**Option Price**”) in consideration of such optionholders agreeing:

- (a) not to exercise any of such Options into new APB Shares; and
- (b) not to exercise any of their rights as optionholders.

6.2. Option Price

The Option Price will be computed on a “see-through” basis. In other words, the Option Price in relation to any Option will be the amount by which the Offer Price is in excess of the exercise price of that Option. Where the exercise price of an Option is equal to or in excess of the Offer Price, the Option Price for such Option will be fixed at S\$0.001.

6.3. Offer and Options Proposal Mutually Exclusive

The Offer and the Options Proposal are separate and are mutually exclusive. The Options Proposal does not form part of the Offer, and *vice versa*. Without prejudice to the foregoing, if optionholders exercise their Options in order to accept the Offer in respect of the new APB Shares to be issued pursuant to such exercise, they may not accept the Options Proposal in respect of such Options. Conversely, if optionholders wish to accept the Options Proposal in respect of their Options, they may not exercise those Options in order to accept the Offer in respect of the new APB Shares to be issued pursuant to such exercise.

6.4. Options Proposal

Details of the Options Proposal will be despatched to optionholders no later than the date of despatch of the Offer Document.

7. FINANCIAL EVALUATION OF THE OFFER

7.1. Evaluation of the Offer Price

The Offer Price represents the following premia over the benchmark prices of the Offer Shares as listed below:

	Benchmark price ⁽¹⁾	Premium over the benchmark price
(a) Last transacted price as quoted on the SGX-ST on the Unaffected Date (as defined in the Notes) ⁽²⁾	S\$34.69	52.8%
(b) Volume Weighted Average Price (“VWAP”) for the one-week period up to the Unaffected Date	S\$34.55	53.4%
(c) VWAP for the one-month period up to the Unaffected Date	S\$34.51	53.6%
(d) VWAP for the three-month period up to the Unaffected Date	S\$34.01	55.8%
(e) VWAP for the six-month period up to the Unaffected Date	S\$32.02	65.5%
(f) VWAP for the 12-month period up to the Unaffected Date	S\$28.36	86.9%

Notes:

- (1) The figures set out in this paragraph 7.1 are based on data extracted from Bloomberg.
- (2) “Unaffected Date” means 16 July 2012, being the date of the joint holding announcement by Oversea-Chinese Banking Corporation Limited and Great Eastern Holdings Limited of an approach with an offer to purchase their combined stakes in the Vendor and the Offeree.

7.2. Further Financial Information

Further information on the financial aspects of the Offer will be set out in the Offer Announcement to be released on completion of the Proposed Acquisitions (if and when it occurs) and the Offer Document to be despatched to the shareholders of the Offeree in due course thereafter.

8. RATIONALE FOR THE OFFER

The Offer, if made, will be made in compliance with the Offeror's obligations under Rule 14.1 of the Code.

As noted in paragraph 9 below, the Offeror is making the Offer with a view to delisting the Offeree from the Singapore Exchange Securities Trading Limited (the "SGX-ST") and exercising its rights of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), in the event that the Offeror becomes entitled to do so.

9. LISTING STATUS AND COMPULSORY ACQUISITION

9.1. Listing Status

Pursuant to Rule 1105 of the listing manual (the "Listing Manual") of the SGX-ST, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror, and parties acting in concert with it, to above 90% of the total number of issued APB Shares (excluding any APB Shares held in treasury), the SGX-ST may suspend the trading of such APB Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued APB Shares (excluding any APB Shares held in treasury) are held by at least 500 shareholders of the Offeree who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued APB Shares (excluding any APB Shares held in treasury), thus causing the percentage of the total number of APB Shares (excluding any APB Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the APB Shares only at the close of the Offer.

In addition, under Rule 724 of the Listing Manual, if the percentage of the APB Shares held in public hands fall below 10%, the Offeree must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the APB Shares. Rule 725 of the Listing Manual states that the SGX-ST may allow the Offeree a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the APB Shares held in public hands to at least 10%, failing which the Offeree may be delisted.

It is the present intention of the Offeror not to maintain the listing status of the Offeree and should the percentage of APB Shares held in public hands fall below 10%, the Offeror does not intend to undertake or to support any action to restore the public float of the Offeree to the required 10% level under Rule 723 of the Listing Manual.

9.2. Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event the Offeror receives approval of the Offer within four (4) months of the making of the Offer, in respect of not less than 90% of the APB Shares (excluding any APB Shares held in treasury and other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer, including the Sale Shares purchased by the Offeror under the Agreements (if and when purchased)), the Offeror would be entitled to exercise the right to compulsorily acquire all the APB Shares of the shareholders of the Offeree who have not accepted the Offer, at a price equal to the Offer Price.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of APB Shares which, together with APB Shares held by it and its related corporations comprise 90 per cent. or more of the APB Shares, shareholders of the Offeree who have not accepted the Offer would have a right to require the Offeror to acquire their APB Shares at the Offer Price. Shareholders of the Offeree who wish to exercise such a right are advised to seek their own independent legal advice.

As mentioned in paragraph 9.1 above, the Offeror does not intend to preserve the listing status of the Offeree on the SGX-ST. **In addition, if the Offeror is entitled to do so, it intends to exercise any rights of compulsory acquisition that it may have in connection with the Offer.**

10. INFORMATION ON THE OFFEROR

The Offeror is a wholly-owned subsidiary of HEINEKEN.

Both the Offeror and HEINEKEN are part of the Heineken group of companies (for purposes of this paragraph 10, the “**Heineken Group**”), a global brewer. The brand that bears the founder’s family name - Heineken® - is available in almost every country on the globe and is one of the world’s most valuable international premium beer brands.

The Heineken Group’s aim is to be a leading brewer in each of the markets in which it operates and to have the world’s most valuable brand portfolio. The Heineken Group wants to win in all markets with Heineken® and with a full brand portfolio in markets of choice. The Heineken Group is present in over 70 countries and operates more than 140 breweries with volume of 214 million hectolitres of group beer sold. The Heineken Group is Europe’s largest brewer and the world’s third largest by volume. The Heineken Group is committed to the responsible marketing and consumption of its more than 200 international premium, regional, local and specialty beers and ciders. These include Amstel, Birra Moretti, Cruzcampo, Desperados, Dos Equis, Foster’s, Heineken, Newcastle Brown Ale, Ochota, Primus, Sagres, Sol, Star, Strongbow, Tecate, and Zywiec. The Heineken Group’s leading joint venture brands include Cristal, Kingfisher, Tiger and Anchor. In 2011, the Heineken Group’s revenue totaled EUR 17.1 billion and EBIT (beia¹) was EUR 2.7 billion. The number of people employed by the Heineken Group is around 70,000.

Shares in HEINEKEN and its parent, Heineken Holding N.V., are listed on the Amsterdam stock exchange. Prices for the ordinary shares may be accessed on Bloomberg under the symbols HEIA NA and HEIO NA and on the Reuter Equities 2000 Service under HEIN.AS and HEIO.AS. Most recent information is available on HEINEKEN’s website: www.theheinekencompany.com.

11. INFORMATION ON THE OFFEREE

Listed on the SGX-ST, the Offeree is one of the key players in the Asia Pacific beer industry. A joint venture between the Fraser and Neave group of companies and Heineken Group, APB was established as Malayan Breweries Limited (“**MBL**”) in 1931. The company went on to open its first brewery in Singapore and launched the award-winning Tiger beer a year later. Over time, MBL took its business beyond Singapore and added new beer brands to its portfolio of brews.

Geographical footprint

¹ Before exceptional items and amortization of brands and customer relations.

To more accurately reflect the growing regionalisation of its business interests, MBL was renamed Asia Pacific Breweries Limited in 1990. Today, the Offeree operates an extensive global marketing network, which spreads across 60 countries and is supported by 30 breweries in 14 countries including Singapore, Cambodia, China, Indonesia, Laos, Malaysia, Mongolia, New Caledonia, New Zealand, Papua New Guinea, Solomon Islands, Sri Lanka, Thailand, and Vietnam.

The Offeree's diversified footprint in the Asia Pacific region has enabled the Offeree group to benefit from the region's economic development, and capitalise on the opportunities for long term growth. In fact, its continual growth and profitable track record have earned the Offeree a spot in the 2011 Forbes Asia's Fab 50 list of the 50 most profitable listed companies with large market capitalization from the region.

The Offeree presents consumers with a range of global, regional and local brands that suit the varied needs of beer drinkers. The Offeree's portfolio includes over 40 beer brands and brand variants comprising Tiger beer, Heineken, Anchor beer, Baron's Strong Brew, ABC Extra Stout, Archipelago beer and Bintang beer.

The Offeree is synonymous with Tiger beer which is brewed in 10 countries and offered in 60 markets worldwide. The Offeree group also represents Heineken in nine markets namely Singapore, China, Indonesia, Laos, Malaysia, New Caledonia, New Zealand, Thailand and Vietnam. Together with its regional brand offerings, Anchor beer and ABC Extra Stout, the Offeree also serves local beer brands such as Gold Crown in Cambodia, SP Lager in and Papua New Guinea, Tui in New Zealand and Larue in Vietnam amongst others.

Collectively, they form a combination of global, regional and local brews that cater to every preference and drinking occasion in the respective markets.

12. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

12.1. Holdings and Dealings in APB Shares

Details of the holdings of the Offeror and its related corporations in APB Shares as at the date of this Announcement, are set out in the Appendix to this Announcement.

Details of the dealings of the Offeror and its related corporations in APB Shares for the six-month period immediately preceding the date of each of the Press Release and this Announcement, are set out in the Appendix to this Announcement.

12.2. No Other Holdings and Dealings

Save as disclosed in this Announcement and to the best of the Offeror's knowledge, information and belief, neither the Offeror nor any of its related corporations (a) owns, controls or has agreed to acquire any APB Shares or other securities which carry voting rights in the Offeree or are convertible into APB Shares or securities which carry voting rights in the Offeree, or rights to subscribe for, or options in respect of, APB Shares or such securities as at the date of this Announcement, or (b) has dealt for value in any APB Shares during the six-month period immediately preceding the date of this Announcement.

13. OVERSEAS JURISDICTIONS

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any securities, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in

this Announcement in any jurisdiction in contravention of applicable laws. The Offer, if made, will be made solely by the Offer Document and the forms of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer (including details of how the Offer may be accepted), and the Offeror reserves the right to extend or communicate the Offer to the shareholders of the Offeree by any announcement, advertisement or notification. **For the avoidance of doubt, the Offer (if and when made) is open to all the shareholders of the Offeree holding Offer Shares, including those to whom the Offer Document and relevant forms of acceptance may not be sent.**

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer, unless otherwise determined by the Offeror and permitted by applicable law and regulation, will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically, or electronically) of interstate or foreign commerce of, or any facility or a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The availability of the Offer to shareholders of the Offeree whose addresses are outside Singapore, as shown in the register of members of the Offeree 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 in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements.

14. RESPONSIBILITY STATEMENT

The directors of each of the Offeror and HEINEKEN (including those who may have delegated supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that there are no other material facts not contained in this Announcement the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Vendor or the Offeree, the sole responsibility of the directors of each of the Offeror and HEINEKEN has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

The directors of each of the Offeror and HEINEKEN jointly and severally accept responsibility accordingly.

Issued by
Credit Suisse (Singapore) Limited and Citigroup Global Markets Singapore Pte. Ltd.

For and on behalf of
Heineken International B.V.

17 August 2012

Any inquiries relating to this Announcement or the Offer (if and when made) should be directed to the following:

Credit Suisse (Singapore) Limited	Citigroup Global Markets Singapore Pte. Ltd.
Pankaj Goel Managing Director Tel. No.: 6212 2000	Matthew Nimitz Director, Mergers & Acquisitions Tel. No.: 6657 5305

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and the Offeror does not undertake any obligation to update publicly or revise any forward-looking statements.

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS IN THAT JURISDICTION.

Appendix

DETAILS OF HOLDINGS AND DEALINGS

1. Holdings of Shares

As of the date of this Announcement, the Offeror and its related corporations have a total interest (direct and deemed) in 210,601,179 APB Shares, representing approximately 81.56% of the total APB Shares. The direct and deemed interest of the Offeror in such APB Shares is as follows:

Name	Direct Interest in APB Shares	Percentage (%)	Deemed Interest in APB Shares ^{(1) (2)}	Percentage (%)	Total Interest in APB Shares	Percentage (%)
Heineken International B.V.	24,513,560	9.49	186,087,619	72.07	210,601,179	81.56

Notes:

- (1) As of the date of this Announcement, the Offeror and its related corporations hold 41,175,000 ordinary shares and 31,766,808 preference shares in the issued and paid-up share capital of APIPL representing 50% of the entire issued and paid-up capital of APIPL as of the date of the Agreement. Pursuant to Section 7 of the Companies Act, the Offeror is deemed to have an interest in 167,333,732 APB Shares held by APIPL.
- (2) The Offeror and the Vendor have entered into the Agreements for the purpose of, *inter alia*, the transfer by the Vendor to the Offeror of the APB Sale Shares, representing approximately 7.26% of the entire issued and paid-up capital of the Offeree as of the date of this Announcement. Pursuant to Section 7 of the Companies Act, the Offeror is deemed to have an interest in the APB Sale Shares currently held by the Vendor.

Save as disclosed above, as at the date of this Announcement, none of the Offeror and its related corporations owns, controls, or have agreed to acquire any (a) APB Shares, (b) securities which carry voting rights in the Offeree, (c) securities which are convertible into APB Shares or (d) rights to subscribe for, or options in respect of, APB Shares or securities.

The Offeror confirms that it and its related corporations have not constituted any type of security over APB Shares.

The Offeror further confirms that it and its related corporations have not (a) borrowed any APB Shares from another person or (b) lent any APB Shares to another person.

2. Dealings in APB Shares

As at the date of this Announcement, none of the (i) Offeror and its directors, and (ii) shareholders of the Offeror and its directors, has dealt for value in any APB Shares or convertible securities of the Offeree during the six-month period immediately preceding the date of this Announcement.