



FRASER AND NEAVE, LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 189800001R)

VOLUNTARY CONDITIONAL CASH OFFER BY CREDIT SUISSE (SINGAPORE) LIMITED, MERRILL LYNCH (SINGAPORE) PTE. LTD. AND CIMB BANK BERHAD, SINGAPORE BRANCH FOR AND ON BEHALF OF OUE BAYTOWN PTE. LTD. FOR FRASER AND NEAVE, LIMITED

1. INTRODUCTION

The Board of Directors (the **"Board"** or the **"Directors"**) of Fraser and Neave, Limited (the **"Company"**) refers to:

- (a) the announcement by the Company dated 19 October 2012 regarding the announcement by Overseas Union Enterprise Limited (**"OUE"**) dated 19 October 2012 in relation to a possible offer for the issued and paid-up ordinary shares in the capital of the Company (the **"Shares"**);
- (b) the announcement by the Company dated 7 November 2012 regarding the update by OUE on a possible offer for the Shares; and
- (c) the announcement dated 15 November 2012 issued by Credit Suisse (Singapore) Limited, Merrill Lynch (Singapore) Pte. Ltd. and CIMB Bank Berhad, Singapore Branch for and on behalf of OUE Baytown Pte. Ltd. (**"OUE Baytown"**) of a firm intention by OUE Baytown to make a voluntary conditional cash offer (the **"OUE Offer"**) for all the Shares, other than those held by the Company as treasury shares and those Shares owned, controlled or agreed to be acquired, directly or indirectly, by OUE Baytown as at the date of the OUE Offer (the **"OUE Offer Announcement"**).

2. TERMS OF THE OUE OFFER

The principal terms of the OUE Offer are set out in the OUE Offer Announcement. A copy of the OUE Offer Announcement is attached to this announcement for the attention of the shareholders of the Company (**"Shareholders"**).

According to the OUE Offer Announcement, the formal documents, setting out the terms and conditions of the OUE Offer and enclosing the appropriate form(s) of acceptance of the OUE Offer (**"OUE Offer Document"**), will be despatched to Shareholders not earlier than 29 November 2012 and not later than 6 December 2012.

3. IRREVOCABLE UNDERTAKINGS AND AGREEMENTS WITH KIRIN

As at the date of the OUE Offer Announcement, OUE Baytown has received, amongst others, an irrevocable undertaking from Kirin Holdings Company, Limited (**"Kirin"**), to tender all the 212,773,000 Shares held by Kirin, representing approximately 14.8 per cent. of all the

Shares,¹ in acceptance of the OUE Offer (the “**Kirin Acceptance Undertaking**”). Details of the Kirin Acceptance Undertaking are set out in the OUE Offer Announcement.

Kirin and OUE Baytown have given each other certain other undertakings in relation to the food and beverage business of the Company, its subsidiaries and associated companies. Details of these undertakings are set out in the OUE Offer Announcement. Shareholders are urged to read the OUE Offer Announcement in full.

4. **BREAK FEE**

The Company refers to section 8 of the Offer Announcement where it is disclosed that in consideration of OUE Baytown making the OUE Offer at an offer price of not less than S\$9.08 per Share, the Company gave an undertaking (the “**Break Fee Undertaking**”) to pay OUE Baytown a break fee equal to the legal and financial advisers’ and lenders’ fees which OUE Baytown may incur in respect of the making of its Offer, subject to a maximum amount of S\$50,000,000 (the “**Break Fee**”), on the terms and subject to the conditions of the Break Fee Undertaking. Salient terms of the Break Fee Undertaking, including the condition under which the Break Fee is payable and the conditions under which the Break Fee amount will be adjusted, are set out in the OUE Offer Announcement.

Shareholders are to note that the Break Fee Undertaking is not to be construed as a positive recommendation of the OUE Offer by the Board, nor is the minimum offer price of S\$9.08 per Share to be construed as a statement by the Board that such an offer price is fair and reasonable.

The Company issued the Break Fee Undertaking in order to create a competitive bid situation, thereby maximising value for Shareholders. Under the mandatory conditional cash offer by United Overseas Bank Limited, DBS Bank Ltd. and Morgan Stanley Asia (Singapore) Pte. for and on behalf of TCC Assets Limited (“**TCC Assets**”) for all the Shares other than those held by TCC Assets and International Beverage Holdings Limited as at the date of the offer by TCC Assets (the “**TCC Offer**”), TCC Assets is offering to acquire the Shares at an offer price of S\$8.88 per Share. To-date, the Company has not received notice of any intention from TCC Assets to increase its offer price. To provide an alternative offer for Shareholders at a higher price than the TCC Offer price and thereby create a competitive bid situation, the Company issued the Break Fee Undertaking to OUE Baytown in consideration of OUE Baytown making the OUE Offer at an offer price of not less than S\$9.08 per Share.

A copy of the Break Fee Undertaking is available for inspection by Shareholders at the registered office of the Company, between 9:00 a.m. and 5:00 p.m. from Mondays to Fridays.

5. **RIGHT TO WITHDRAW ACCEPTANCES**

The Board wishes to inform Shareholders who have tendered acceptances to the TCC Offer in respect of their Shares that under the Singapore Code on Take-overs and Mergers (the “**Code**”), such Shareholders may withdraw their acceptances to the TCC Offer in any of the following circumstances:

- (a) If, after 14 days from the first closing date of the TCC Offer, the TCC Offer has not by then become unconditional as to acceptances, Shareholders who have previously

¹ Based on 1,440,440,785 issued Shares (excluding 4,100 Shares held by the Company as treasury shares) as at 15 November 2012.

tendered their acceptances to the TCC Offer will be entitled to withdraw their acceptances. Such entitlement to withdraw will be exercisable until the TCC Offer becomes unconditional as to acceptances. Based on the TCC Offer Document, the first closing date of the TCC Offer was at 5.30 p.m. on 29 October 2012. **Accordingly, since the TCC Offer had not become unconditional as to acceptances on or before 12 November 2012, Shareholders who have previously tendered their Shares in acceptance of the TCC Offer shall be entitled to withdraw their acceptances until the TCC Offer becomes unconditional as to acceptances.**

- (b) If the TCC Offer has become or has been declared unconditional as to acceptances, but TCC Assets fails to comply with the requirements under Rule 28.1 of the Code, including but not limited to its failure to announce the information required under Rule 28.1 of the Code by 3.30 p.m. on the dealing day immediately after the day on which the TCC Offer is due to expire, or becomes or is declared unconditional as to acceptances, or is revised or extended (the "**Relevant Day**"), Shareholders who have previously tendered their acceptances to the TCC Offer will be entitled to withdraw their acceptances immediately thereafter. Subject to Rule 22.9 of the Code², the right of withdrawal may be terminated not less than 8 days after the Relevant Day by TCC Assets confirming (if that be the case) that the TCC Offer is still unconditional as to acceptances and complying with Rule 28.1. **In the context of the current timetable of the TCC Offer, if TCC Assets further extends the TCC Offer but does not announce the information required under Rule 28.1 by 3:30 p.m. on 23 November 2012, Shareholders will be able to withdraw their acceptances to the TCC Offer in respect of their own Shares until and unless, subject to Rule 22.9 of the Code, such rights have been terminated on or after 1 December 2012 by TCC Assets announcing its confirmation that the TCC Offer is still unconditional as to acceptances and providing the information required under Rule 28.1.**
- (c) If either of the TCC Offer or the OUE Offer becomes unconditional as to acceptances, Shareholders who have tendered their acceptances for the other offer (the "**Unsuccessful Offer**") can, if they so wish, immediately withdraw their acceptances for the Unsuccessful Offer, without waiting for the expiry of the 14 days from the first closing date of the Unsuccessful Offer.

In the above instances, Shareholders whose Shares are deposited with The Central Depository (Pte) Limited ("CDP") and who have accepted the TCC Offer may withdraw their acceptances by giving notice in writing to TCC Assets Limited, c/o The Central Depository (Pte) Limited, 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807. Shareholders whose Shares are not deposited with CDP and who have accepted the TCC Offer may withdraw their acceptances by giving notice in writing to TCC Assets Limited, c/o Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898. For more information on Shareholders' rights of withdrawal, please refer to page 34 of the TCC Offer Document.

² Rule 22.9 of the Code provides that, except with the permission of the Securities Industry Council ("**SIC**"), no offer or revised offer would be capable of becoming or being declared unconditional as to acceptances after 5.30 p.m. on the 60th day after the offer document is initially posted (the "**Final Day**") nor is the offer capable of being kept open after the expiry of such period unless it has previously become or been declared unconditional as to acceptances (the "**Final Day Rule**"). As the TCC Offer Document was posted on 27 September 2012, currently neither the TCC Offer nor a revised TCC Offer, if any, would become capable of becoming or being declared unconditional as to acceptances after 5.30 p.m. on 26 November 2012, or such later date as SIC may allow.

6. CAUTION IN TRADING

The Board wishes to highlight to Shareholders that notwithstanding the above, there is no certainty that either the TCC Offer or the OUE Offer would become unconditional in all respects. **Shareholders are advised to exercise caution when dealing in their Shares and refrain from taking any action, whether in connection with the OUE Offer, the TCC Offer or otherwise in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Directors of the Company who are considered independent (the “Independent Directors”) as well as the advice of the independent financial adviser to the Independent Directors as set out in a circular to Shareholders to be issued by the Company in due course.**

7. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors (including any who may 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 the Directors jointly and severally accept full responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors 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
Group Company Secretary

15 November 2012