

# FRASER AND NEAVE, LIMITED

(Incorporated in Singapore)  
(Company Registration No.: 189800001R)

## Board of Directors:

Mr Lee Hsien Yang (*Chairman*)  
Mr Timothy Chia Chee Ming  
Ms Maria Mercedes Corrales  
Mr Ho Tian Yee  
Mr Hirotake Kobayashi  
Mr Koh Beng Seng  
Dr Seek Ngee Huat  
Mr Tan Chong Meng  
Mr Nicky Tan Ng Kuang

## Registered Office:

438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

18 January 2013

To: The Shareholders of the Company

Dear Sir / Madam

## **VOLUNTARY CONDITIONAL CASH OFFER BY OUE BAYTOWN PTE. LTD. FOR THE OUE OFFER SHARES (AS DEFINED BELOW)**

### **1. BACKGROUND**

**1.1 Offeree Circular on the OUE Offer and Supplemental J.P. Morgan Letter.** The Board of Directors (the "**Board**") of Fraser and Neave, Limited (the "**Company**") refers to:

- (i) the circular to shareholders dated 20 December 2012 issued by the Company (the "**Offeree Circular on the OUE Offer**"); and
- (ii) the supplemental letter dated 31 December 2012 issued by J.P. Morgan (S.E.A.) Limited (the "**Supplemental J.P. Morgan Letter**"),

in relation to the voluntary conditional cash offer (the "**OUE Offer**") by OUE Baytown Pte. Ltd. ("**OUE Baytown**") for all the issued and paid-up ordinary shares in the capital of the Company, other than those held by the Company as treasury shares and those already owned, controlled or agreed to be acquired by OUE Baytown as at the date of its offer (the "**OUE Offer Shares**").

Shareholders should have received a copy of the Offeree Circular on the OUE Offer and the Supplemental J. P. Morgan Letter. A copy of each of the Offeree Circular on the OUE Offer and the Supplemental J.P. Morgan Letter are also available on the websites of the Company and the SGX-ST at [www.fraserandneave.com](http://www.fraserandneave.com) and [www.sgx.com](http://www.sgx.com) respectively.

**1.2 Definitions.** Unless otherwise stated, all terms and expressions used in this letter shall have the meanings given to them in the Offeree Circular on the OUE Offer.

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## LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

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### 2. 2<sup>nd</sup> SUPPLEMENTAL LETTER FROM J.P. MORGAN IN RELATION TO KIRIN F&B OFFER

**2.1 SIC Confirmation of No Special Deal.** As disclosed in Section 3.5 of the Offeree Circular on the OUE Offer, SIC confirmed on 5 and 14 November 2012 that the arrangements set out in Section 6 of the OUE Offer Document, parts of which were extracted and reproduced in Section 3 of the Offeree Circular on the OUE Offer, do not constitute special deals for the purposes of the Code, subject to the independent financial adviser to the Independent Directors publicly stating that in its opinion the terms of the Kirin F&B Offer are fair and reasonable.

**2.2 J.P. Morgan Letter.** The opinion of J.P. Morgan addressed to the Independent Directors on the fairness of the terms of the Kirin F&B Offer, from a financial point of view, is set out in Section 9.10.2(D) of the J.P. Morgan Letter and reproduced in Section 9.5 of the Offeree Circular on the OUE Offer.

**2.3 Supplemental J.P. Morgan Letter.** On 31 December 2012, J.P. Morgan issued the Supplemental J. P. Morgan Letter setting out the opinion of J.P. Morgan on whether the terms of the Kirin F&B Offer are fair and reasonable, from a financial point of view. J.P. Morgan's opinion on the Kirin F&B Offer addressed to the Independent Directors is set out in Section 3 of the Supplemental J.P. Morgan Letter.

**2.4 2<sup>nd</sup> Supplemental Letter from J.P. Morgan.** The Company encloses with this letter, for Shareholders' attention, a copy of a second supplemental letter dated 18 January 2013 issued by J.P. Morgan and addressed to the Independent Directors (the "**2<sup>nd</sup> Supplemental J.P. Morgan Letter**"). This clarifies the opinion on the Kirin F&B Offer as set out in the Supplemental J.P. Morgan Letter.

Shareholders are advised to read the 2<sup>nd</sup> Supplemental J.P. Morgan Letter in conjunction with the J.P. Morgan Letter and the Supplemental J.P. Morgan Letter, and are to note that J.P. Morgan's opinion addressed to the Independent Directors in relation to the Kirin F&B Offer Price should be considered in the context of the entirety of the 2<sup>nd</sup> Supplemental J.P. Morgan Letter, Supplemental J.P. Morgan Letter and the J.P. Morgan Letter.

**2.5 No Recommendation in relation to Kirin F&B Offer.** The Independent Directors do not express any view on or make any recommendation in relation to, the Kirin F&B Offer.

**If any Shareholder is in any doubt in relation to this letter or the Offeree Circular on the OUE Offer or as to the action that such Shareholder should take, he should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

**2.6 Consent of J.P. Morgan.** J.P. Morgan has given and has not withdrawn its written consent to the issue of this letter, with the inclusion of its name and the 2<sup>nd</sup> Supplemental J.P. Morgan Letter and all references to them, in the form and context in which they appear in this letter.

**2.7 Documents Available for Inspection.** Copies of the 2<sup>nd</sup> Supplemental J.P. Morgan Letter and J.P. Morgan's written consent as described in paragraph 2.6 above are available for inspection at the registered office of the Registrar at 80 Robinson Road #02-00 Singapore 068898, during normal business hours for the period during which the OUE Offer remains open for acceptance.

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## LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

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### 3. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of this letter), collectively and individually accept full responsibility for the accuracy of the information given in this letter (other than the 2<sup>nd</sup> Supplemental J.P. Morgan Letter), and confirm after making all reasonable enquiries that, as at 18 January 2013 (being the latest practicable date prior to the printing of this letter), to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the OUE Offer and the F&N Group, and the Directors are not aware of any fact the omission of which would make any statement in this letter misleading. Where information in this letter has been extracted from published or otherwise publicly available sources or obtained from a named source (including information extracted from the OUE Offer Document, the J.P. Morgan Letter, the Supplemental J.P. Morgan Letter and the 2<sup>nd</sup> Supplemental J.P. Morgan Letter), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources and/or reproduced in this letter in its proper form and context.

Yours faithfully,

For and on behalf of the Board of Directors

**FRASER AND NEAVE, LIMITED**

**Mr Lee Hsien Yang**

Chairman