
NOTICE OF EXTRAORDINARY GENERAL MEETING

FRASER AND NEAVE, LIMITED
(Incorporated in Singapore)
(Company Registration No.189800001R)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Fraser and Neave, Limited (the "**Company**") will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on 25 January 2007 at 10.15 a.m. (or as soon thereafter following the conclusion or adjournment of the 108th Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without any modifications, the following Resolution which will be proposed as an Ordinary Resolution:

Ordinary Resolution

The Proposed Renewal of the Share Purchase Mandate

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market purchase(s) on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") transacted through the Central Limit Order Book trading system and/or any other securities exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,
- and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next Annual General Meeting of the Company is held; and
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held;

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(c) in this Resolution:

“Average Closing Price” means the average of the closing market prices of a Share over the five consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period;

“date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

“Market Day” means a day on which the SGX-ST is open for trading in securities;

“Maximum Percentage” means that number of issued Shares representing 7% of the issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed 105% of the Average Closing Price of the Shares; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution

By Order of the Board

Anthony Cheong Fook Seng
Group Company Secretary

Singapore
10 January 2007

Notes:

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, not less than 48 hours before the time appointed for the Extraordinary General Meeting. The sending of a Proxy Form by a member does not

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preclude him from attending and voting in person at the Extraordinary General Meeting if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

3. The Company intends to use internal resources or external borrowings or a combination of both to finance the purchase or acquisition of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, and the price at which such Shares were purchased or acquired.

Based on the existing number of issued Shares as at 28 December 2006 (the "**Latest Practicable Date**"), the purchase by the Company of 7% of its issued Shares will result in the purchase or acquisition of 82,196,065 Shares. Assuming that the Company purchases or acquires the 82,196,065 Shares at the Maximum Price of \$4.73 for one Share (being the price equivalent to 5% above the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 82,196,065 Shares is \$388,787,387.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the renewed Share Purchase Mandate on the audited financial statements of the Company and its subsidiaries for the financial year ended 30 September 2006 based on these assumptions are set out in paragraph 2.7.3 of the Company's Circular to Shareholders dated 10 January 2007.