

## Acquisition of Subsidiary

Pursuant to Rule 704(15)(c) of the Listing Manual, Fraser and Neave, Limited (the " Company ") announces that the Company's subsidiary, Frasers Centrepoint Limited (" FCL "), has through FCL China Development Pte Ltd, a wholly-owned subsidiary of FCL, acquired 80% of the issued share capital (the " Acquisition ") of Singapore Logistics Investments Pte Ltd (" SLI "), a company incorporated in Singapore.

The consideration for the Acquisition, arrived at on a willing buyer willing seller basis, is S\$15 million, to be paid in cash in full upon satisfaction of agreed conditions. The consideration will be funded by internal sources.

SLI has entered into a conditional agreement for the acquisition of the entire issued share capital of Superway Logistics Investments (Hong Kong) Limited (" SLIHK "), a company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China. SLIHK is an investment holding company for the purpose of acquiring land and developing thereon an industrial complex to be operated as a logistics centre in Chengdu, the People's Republic of China.

The Acquisition is not expected to have any material effect on the net tangible assets per share or earnings per share of the Group for the current financial year.

None of the directors or substantial shareholders of the Company has any interest, directly or indirectly, in the Acquisition.

Submitted by Anthony Cheong Fook Seng, Company Secretary on 26 January 2007 to the SGX.