



FRASER AND NEAVE, LIMITED

(Company Registration No. 189800001R)

Incorporated in the Republic of Singapore

ACQUISITION OF ASSOCIATED COMPANY

Pursuant to Rule 704(15)(c) of the Listing Manual, Fraser and Neave, Limited (“**F&NL**”) announces that its subsidiary, Frasers Centrepoint Limited (“**FCL**”), has entered into a conditional agreement for FCL or its nominee to acquire 40% of the issued share capital (the “**Acquisition**”) of Hektar Asset Management Sdn Bhd (“**Hektar**”), a company incorporated in Malaysia. Hektar is the manager of Hektar Real Estate Investment Trust (“**H-REIT**”), a real estate investment trust constituted in Malaysia under a trust deed dated 5 October 2006 entered into between Hektar as manager of H-REIT and AmTrustee Berhad as trustee of H-REIT.

The consideration for the Acquisition, arrived at on a willing buyer willing seller basis, is RM500,000 (equivalent to approximately S\$223,000), to be paid in cash in full upon satisfaction of agreed conditions. The consideration will be funded by internal sources.

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 F&NL has any interest, directly or indirectly, in the Acquisition.

Anthony Cheong Fook Seng
Group Company Secretary

16 May 2007