

**CIRCULAR DATED 5 FEBRUARY 2014**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all of your shares in the capital of Fraser and Neave, Limited, you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

**The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.**



FRASER AND NEAVE, LIMITED

**FRASER AND NEAVE, LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No: 18980001R)

## **CIRCULAR TO SHAREHOLDERS**

in relation to the

### **PROPOSED CAPITAL REDUCTION**

#### **IMPORTANT DATES AND TIMES:**

Last Date and Time for Lodgement of Proxy Form	:	26 February 2014 at 2.30 p.m.
Date and Time of Extraordinary General Meeting	:	28 February 2014 at 2.30 p.m.
Place of Extraordinary General Meeting	:	Ballrooms II and III Level 2 InterContinental Singapore 80 Middle Road Singapore 188966

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless otherwise stated:

- “Balance Proceeds”** : The amount of approximately S\$737.4 million from the Net Proceeds that remains unutilised, as described in paragraph 2.3 of the Letter to Shareholders in this Circular.
- “Board”** : The board of Directors of the Company as at the Latest Practicable Date.
- “Books Closure Date”** : The date, to be determined by the Directors and announced by the Company, on which the transfer books of the Company and the Register will be closed in order to determine the entitlements of Shareholders to the Cash Distribution pursuant to the Capital Reduction.
- “Capital Reduction”** : The proposed capital reduction exercise to be carried out by the Company pursuant to Section 78G of the Companies Act to effect the Cash Distribution, details of which are set out in paragraph 2 of the Letter to Shareholders in this Circular.
- “Cash Distribution”** : The proposed cash distribution by the Company to Shareholders of S\$0.42 in cash for each Share held by Shareholders or on their behalf as at the Books Closure Date, amounting to an aggregate distribution of approximately S\$606,860,640, as described in paragraph 1.1 of the Letter to Shareholders in this Circular.
- “CDP”** : The Central Depository (Pte) Limited.
- “Companies Act”** : The Companies Act, Chapter 50 of Singapore.
- “Company” or “F&N”** : Fraser and Neave, Limited.
- “Court”** : The High Court of the Republic of Singapore.
- “Directors”** : The directors of the Company as at the Latest Practicable Date.
- “DIS”** : The distribution *in specie* of Frasers Centrepoint Limited shares by the Company pursuant to the announcement and circular dated 27 August 2013 and 28 October 2013 respectively.
- “EGM”** : The extraordinary general meeting of the Company to be held on 28 February 2014 at 2.30 p.m. (and any adjournment thereof), the notice of which is given on page 15 of this Circular.
- “FCL”** : Frasers Centrepoint Limited.
- “FCL Group”** : FCL and the subsidiaries of FCL.
- “F&N Group”** : The Company and its subsidiaries.
- “F&N Share Plans”** : The F&N Performance Share Plan and the F&N Restricted Share Plan, which were approved and adopted by the Company on 22 January 2009.
- “FY2013”** : The financial year ended 30 September 2013.
- “Income Tax Act”** : The Income Tax Act, Chapter 134 of Singapore.

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## DEFINITIONS

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“ <b>Latest Practicable Date</b> ”	:	The latest practicable date prior to the printing of this Circular, being 22 January 2014.
“ <b>Listing Manual</b> ”	:	The Listing Manual of the SGX-ST, as amended up to the Latest Practicable Date.
“ <b>Market Day</b> ”	:	A day on which the SGX-ST is open for trading in securities.
“ <b>NAV</b> ”	:	Net asset value, being total assets less total liabilities and non-controlling interests.
“ <b>Net Proceeds</b> ”	:	The net proceeds received by the Company in January 2007 from the issue by the Company of new Shares to Seletar Investments Pte Ltd (a subsidiary of Temasek Holdings (Private) Limited), as described in paragraph 2.3 of the Letter to Shareholders in this Circular.
“ <b>Notice of EGM</b> ”	:	The notice of EGM set out on page 15 of this Circular.
“ <b>Register</b> ”	:	The register of members of the Company, as maintained by Tricor Barbinder Share Registration Services, being the Company’s share registrar.
“ <b>Securities Accounts</b> ”	:	The securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent.
“ <b>SGX-ST</b> ”	:	The Singapore Exchange Securities Trading Limited.
“ <b>Share Awards</b> ”	:	The awards of Shares granted pursuant to the F&N Share Plans.
“ <b>Shareholders</b> ”	:	The registered holders of the Shares (other than the Company) except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean Depositors (other than the Company) whose Securities Accounts are credited with those Shares.
“ <b>Shares</b> ”	:	Ordinary shares in the issued share capital of the Company.
“ <b>Subscription</b> ”	:	The issue by the Company of new Shares to Seletar Investments Pte Ltd (a subsidiary of Temasek Holdings (Private) Limited) in January 2007, as described in paragraph 2.3 of the Letter to Shareholders in this Circular.
“ <b>S\$</b> ” and “ <b>cents</b> ”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore.
“ <b>%</b> ” or “ <b>per cent.</b> ”	:	Per centum or percentage.

The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 130A of the Companies Act.

The term “**controlling shareholders**” shall have the meaning ascribed to it in the Listing Manual.

The term “**subsidiaries**” shall have the meaning ascribed to it in the Companies Act.

Except where specifically defined, the terms “**we**”, “**us**” and “**our**” in this Circular refer to the F&N Group.

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## DEFINITIONS

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Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual, or any modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or the Listing Manual, or any modification thereof, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

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## INDICATIVE TIMETABLE

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The following are indicative dates and times for the Capital Reduction for illustrative purposes only<sup>(1)</sup>:

Last date and time for lodgement of Proxy Forms for the EGM <sup>(2)</sup>	:	26 February 2014 at 2.30 p.m.
Date and time of the EGM	:	28 February 2014 at 2.30 p.m.
<i>Expected date for approval of the Court for the Capital Reduction</i>	:	<i>18 March 2014</i>
<i>Expected announcement date of Court sanction for the Capital Reduction and the Books Closure Date</i>	:	<i>18 March 2014</i>
<i>Expected last date and time of "cum" trading of the Shares on the SGX-ST</i>	:	<i>On or about 21 March 2014 at 5.00 p.m.</i>
<i>Expected commencement of "ex" trading of the Shares on the SGX-ST</i>	:	<i>On or about 24 March 2014 at 9.00 a.m.</i>
<i>Expected Books Closure Date for the Capital Reduction</i>	:	<i>On or about 26 March 2014 at 5.00 p.m.</i>
<i>Expected effective date of the Capital Reduction</i>	:	<i>On or about 27 March 2014</i>
<i>Expected payment date for the Cash Distribution pursuant to the Capital Reduction</i>	:	<i>On or about 3 April 2014</i>

**Notes:**

- <sup>(1)</sup> Save for the date and time by which the Proxy Forms must be lodged and the date and time of the EGM, the timetable above is only indicative and the actual dates of the events in italics will be announced in due course by way of SGXNET announcement released on the SGX-ST.
- <sup>(2)</sup> All Proxy Forms must be duly completed and deposited at the registered office of the Company at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, not later than 48 hours before the time appointed for the EGM. Completion and return of a Proxy Form will not preclude a Shareholder from attending and voting at the EGM if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

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## LETTER TO SHAREHOLDERS

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### FRASER AND NEAVE, LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 189800001R)

**Directors:**

Mr Charoen Sirivadhanabhakdi (Non-executive and non-independent Chairman)  
Khunying Wanna Sirivadhanabhakdi (Non-executive and non-independent Vice Chairman)  
Tengku Syed Badarudin Jamalullail (Non-executive and independent Director)  
Mr Timothy Chia Chee Ming (Non-executive and independent Director)  
Mr Koh Poh Tiong (Non-executive and non-independent Director)  
Mrs Siripen Sitasuwan (Non-executive and independent Director)  
Mr Chotiphat Bijananda (Non-executive and non-independent Director)  
Mr Thapana Sirivadhanabhakdi (Non-executive and non-independent Director)  
Mr Sithichai Chaikriangkrai (Non-executive and non-independent Director)  
Mr Prapakon Thongthepairot (Non-executive and non-independent Alternate Director to Mr Sithichai Chaikriangkrai)

**Registered Office:**

438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

5 February 2014

To: The Shareholders of Fraser and Neave, Limited

Dear Sir / Madam

**PROPOSED CAPITAL REDUCTION****1. INTRODUCTION**

- 1.1 Proposed Capital Reduction.** On 26 December 2013, the Directors announced that the Company intends to distribute approximately S\$606,860,640 in aggregate to Shareholders by way of the Capital Reduction. The Capital Reduction is subject to, *inter alia*, the approval of Shareholders and the Court. The Capital Reduction will involve a cash distribution (the “**Cash Distribution**”) by the Company to Shareholders of S\$0.42 in cash for each Share held by Shareholders or on their behalf as at the Books Closure Date, amounting to an aggregate distribution of approximately S\$606,860,640.
- 1.2 Circular.** The purpose of this Circular is to provide Shareholders with relevant information relating to the Capital Reduction, including the rationale and the pro forma financial effects of the Capital Reduction on the F&N Group, and to seek Shareholders’ approval for the special resolution relating to the Capital Reduction to be proposed at the EGM, notice of which is set out on page 15 of this Circular.
- 1.3 SGX-ST.** The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Circular.

**2. THE PROPOSED CAPITAL REDUCTION**

- 2.1 Capital Reduction.** The Company is proposing to return S\$0.42 in cash for each Share held by Shareholders or on their behalf as at the Books Closure Date. Based on the number of existing issued Shares of 1,444,906,286 (excluding 4,100 treasury Shares) as at the Latest Practicable Date, an aggregate amount of approximately S\$606,860,640 will be returned to Shareholders pursuant to the Capital Reduction.
- 2.2 Effects of the Capital Reduction.** The Capital Reduction will not result in any change in the number of Shares held by any Shareholder. Each Shareholder will hold the same number of Shares before and immediately after the Capital Reduction.

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## LETTER TO SHAREHOLDERS

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**2.3 Funds for the Capital Reduction.** The Capital Reduction will be funded from existing cash and cash equivalents, including the net proceeds received by the Company in January 2007 from the issue by the Company of new Shares to Seletar Investments Pte Ltd (a subsidiary of Temasek Holdings (Private) Limited) (the “**Subscription**”). As announced by the Company on 8 December 2006, the net proceeds from the Subscription (the “**Net Proceeds**”) were to be used for working capital, new investments in food and beverage businesses, and for growing the Company’s food and beverage business. As at 30 September 2013, approximately S\$737.4 million from the Net Proceeds remains unutilised (the “**Balance Proceeds**”). The Company, following a review of its existing businesses in food and beverage and publishing and printing, has determined that it has capital in excess of the current needs of its existing businesses and has therefore decided to utilise the Balance Proceeds for the Capital Reduction and allow the F&N Group to achieve a more efficient capital structure.

**2.4 Illustration.** The following illustrates the position of a Shareholder who holds 1,000 Shares as at the Books Closure Date:

	Shareholder
<b>Shareholding before the Capital Reduction</b>	
Number of Shares currently held	1,000
<b>Shareholding after the Capital Reduction</b>	
Cash received (S\$)	420
Number of Shares held after the Capital Reduction	1,000

In summary, Shareholders will receive S\$420 in cash for every 1,000 Shares (or S\$0.42 in cash for each Share) held as at the Books Closure Date. Shareholders holding odd lots of Shares (i.e. lots other than board lots of 1,000 Shares) will likewise receive S\$0.42 in cash for each Share held by them or on their behalf as at the Books Closure Date. The shareholding of each Shareholder in the Company shall remain unchanged after the Capital Reduction.

**2.5 Conditions to the Capital Reduction.** The Capital Reduction is subject to, *inter alia*:

**2.5.1** the approval of Shareholders by way of a special resolution for the Capital Reduction at the EGM;

**2.5.2** the approval of the Court for the Capital Reduction; and

**2.5.3** all other relevant approvals and consents being obtained.

**2.6 Payment Date.** On the lodgement of the copy of the Order of Court approving the Capital Reduction, together with the other documents as prescribed under the Companies Act, with the Accounting and Corporate Regulatory Authority of Singapore, the Capital Reduction shall take effect, and the Cash Distribution would become payable.

**2.7 Rationale.** The Board has reviewed the capital structure and the leverage position of the Company and has concluded that the Company is in a net cash position and does not need the excess funds to operate the business or fund any expansion projects. Further, the businesses of the Company are cash generative and will continue to build up cash surpluses after the Capital Reduction. Therefore, the Board is of the view that the capital of the Company is in excess of its immediate requirements and the Capital Reduction will allow the F&N Group to achieve a more efficient capital structure.

The Board believes that following the Capital Reduction and the DIS, the Company will continue to maintain a sufficient capital base, which will allow it to focus on existing food and beverage operations whilst maintaining sufficient flexibility to position itself to take advantage of business opportunities which may arise in the near or medium term in the food and beverage sectors.



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## LETTER TO SHAREHOLDERS

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### 2.8 Taxation.

#### 2.8.1 *General*

Shareholders should note that the following statements are not to be regarded as advice on the tax position of any Shareholder or on any tax implications arising from the Capital Reduction and Cash Distribution. Shareholders should consult their own professional advisers as to any tax implications that may arise from the Capital Reduction or Cash Distribution.

#### 2.8.2 *Tax implications under Singapore Law*

Section 10I of the Income Tax Act provides that where a Singapore tax resident company makes a payment to its shareholders upon a reduction of its share capital and such capital reduction is made out of the “contributed capital” of the company, the payment of the proceeds of the capital reduction to the shareholders will be treated as a return of capital and not as a payment of dividend. For Singapore income tax purposes, a return of capital would generally be treated as capital in nature and not taxable in Singapore for the shareholders, except in certain cases, such as shareholders who are traders in securities or who have classified their investments as trading stocks, marketable securities or short-term investments. Separately, where such a capital reduction is not made out of “contributed capital” of the company, the payment to shareholders will be deemed as dividends paid by the company to its shareholders. Dividends paid by a Singapore tax resident company after 1 January 2008 are tax exempt for its shareholders pursuant to Section 13(1)(za) of the Income Tax Act.

In relation to the Cash Distribution to be made to Shareholders pursuant to the Capital Reduction, as the amounts which are to be paid to Shareholders pursuant to the Cash Distribution will be paid out of the reduction of the existing issued and paid up share capital of the Company, the Cash Distribution should generally be regarded as a return of capital and not taxable for the Shareholders unless the proceeds constitute taxable revenue gains or profits from a trade or business carried on by the Shareholders.

**2.9 Financial Effects and Pro Forma Balance Sheet.** The pro forma financial effects of the Capital Reduction are set out in Appendix 1 to this Circular. The pro forma financial effects are for illustration purposes only and do not reflect the actual financial position of the F&N Group after the Capital Reduction. The pro forma balance sheet of the F&N Group after the Capital Reduction is set out in Appendix 2 to this Circular.

**2.10 Adjustments to Share Awards.** The Remuneration Committee of the Company has determined the methodology to be adopted for making adjustments to the Share Awards under the rules of the F&N Share Plans, consequent upon the Capital Reduction taking effect. Ernst & Young LLP, the auditor of the Company, has confirmed that the methodology is fair and reasonable.

**2.11 Administrative Procedures for the Capital Reduction.** The following paragraphs set out the administrative procedures for the Capital Reduction.

#### 2.11.1 *Books Closure Date*

Persons registered in the Register, and Depositors whose Securities Accounts are credited with Shares as at the Books Closure Date would be entitled to receive a Cash Distribution of S\$0.42 for each Share held by them or on their behalf as at the Books Closure Date.

Persons registered in the Register, and Depositors whose Securities Accounts are credited with Shares as at the Books Closure Date would be considered for purposes of the Capital Reduction on the basis of the number of such Shares registered in their names or standing to the credit of their Securities Accounts as at the Books Closure Date.

The Company will announce the Books Closure Date as soon as practicable after the conditions in paragraph 2.5 above have been satisfied.

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## LETTER TO SHAREHOLDERS

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### **2.11.2 Shareholders holding Scrip Shares**

Shareholders who hold Shares registered in their own names in the Register and who wish to deposit their Shares with CDP prior to the Books Closure Date must deliver their existing share certificates in respect of their Shares, together with the duly executed instruments of transfer in favour of CDP, at least 12 Market Days prior to the Books Closure Date in order for their Securities Accounts maintained with CDP to be credited with the relevant Shares by the Books Closure Date.

### **2.11.3 Payment of the Cash Distribution**

Payment of the Cash Distribution pursuant to the Capital Reduction will be made in the following manner:

(i) *Shareholders holding Scripless Shares*

Shareholders who are Depositors and who have Shares standing to the credit of their Securities Accounts as at the Books Closure Date, will have the cheques for payment of their respective entitlements to the Cash Distribution under the Capital Reduction despatched to them by CDP by ordinary post at their own risk tentatively by 3 April 2014 or on or around the fifth Market Day after the Books Closure Date. Alternatively, such Shareholders will have payment of their respective entitlements to the Cash Distribution under the Capital Reduction made in such other manner as they may have agreed with CDP for the payment of dividends or other distributions tentatively by 3 April 2014.

(ii) *Shareholders holding Scrip Shares*

Shareholders whose Shares are registered in the Register as at the Books Closure Date will have the cheques for payment of their entitlements to the Cash Distribution under the Capital Reduction despatched to them by ordinary post at their own risk tentatively by 3 April 2014 or on or around the fifth Market Day after the Books Closure Date.

## **3. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

The interests of the Directors and the substantial shareholders in the Shares are disclosed in Appendix 3 to this Circular. Save as disclosed, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Capital Reduction.

## **4. DIRECTORS' RECOMMENDATION**

Having considered the terms of and the rationale for the Capital Reduction, the Directors are of the opinion that the Capital Reduction is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the special resolution relating to the Capital Reduction at the EGM.

## **5. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on page 15 of this Circular, will be held at Ballrooms II and III, Level 2 InterContinental Singapore, 80 Middle Road, Singapore 188966 on 28 February 2014 at 2.30 p.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the special resolution relating to the Capital Reduction set out in the Notice of EGM.

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## LETTER TO SHAREHOLDERS

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### 6. ACTION TO BE TAKEN BY SHAREHOLDERS

**6.1 Appointment of Proxies.** If a Shareholder wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 not later than 48 hours before the time appointed for the EGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes. An appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

**6.2 When Depositor is regarded as Shareholder.** A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the time fixed for the EGM.

### 7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, as at the Latest Practicable Date, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Capital Reduction and the F&N Group and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, 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 Circular in its proper form and context.

### 8. ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out in Appendix 3 to this Circular.

Yours faithfully  
for and on behalf of  
the Board of Directors of  
**FRASER AND NEAVE, LIMITED**

Anthony Cheong Fook Seng  
Company Secretary

## APPENDIX 1 – FINANCIAL EFFECTS

1. **Assumptions.** The pro forma financial effects of the Capital Reduction on the NAV per Share, the share capital and the leverage ratios of the F&N Group have been prepared based on the audited consolidated financial statements of the F&N Group for FY2013. The pro forma financial effects are purely for illustration purposes only and do not reflect the actual financial position of the F&N Group after the Capital Reduction. As the DIS has been completed, the pro forma financial effects for FY2013 have been prepared on the assumption that the DIS and the Capital Reduction were completed on 30 September 2013.
2. **NAV.** The pro forma financial effects of the Capital Reduction on the NAV of the F&N Group for FY2013 are as follows:

	Before the DIS and the Capital Reduction	Pro forma	
		After the DIS	After the DIS and the Capital Reduction
NAV (S\$ million)	8,507	2,445	1,838
NAV per Share (S\$)	5.90	1.70	1.27

3. **Share Capital.** The Capital Reduction will not have any impact on the number of Shares held by Shareholders. The pro forma financial effects of the Capital Reduction on the share capital of the Company for FY2013 are as follows:

	Shares (million)	Value (S\$ million)
Share capital as at 30 September 2013	1,441.519	1,442
Pro forma adjusted issued share capital after the Capital Reduction and the Cash Distribution	1,441.519	835

4. **Leverage Ratios.** The pro forma financial effects of the Capital Reduction on the leverage ratios of the F&N Group as at FY2013 are as follows:

	Before the DIS and the Capital Reduction	Pro forma	
		After the DIS	After the DIS and the Capital Reduction
Total net borrowings / (cash) (S\$ million)	1,500	(991) <sup>(1)</sup>	(384)
Net Debt/Total Equity (%)	16.9	n.m. <sup>(2)</sup>	n.m. <sup>(2)</sup>

**Notes:**

<sup>(1)</sup> Pursuant to the DIS, as part of the demerger of FCL from the F&N Group, outstanding loans owed to the F&N Group by the FCL Group will be either repaid by the FCL Group using the proceeds received by FCL from the Company's subscription of additional FCL shares immediately prior to the listing of FCL on the SGX-ST, or transferred for consideration by the F&N Group to the FCL Group using funds drawn down from bank loans, resulting in the Company being in a net cash position following the DIS and before the Capital Reduction. Further details of such repayment and transfer of loans by the FCL Group to the F&N Group are set out in the DIS Circular dated 28 October 2013.

<sup>(2)</sup> "n.m." means not meaningful.

## APPENDIX 2 – PRO FORMA BALANCE SHEET OF THE F&N GROUP

### F&N GROUP BALANCE SHEET

As at 30 September 2013

	As Reported \$'000	After the DIS \$'000	After the DIS and the Capital Reduction \$'000
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	1,441,520	1,441,520	834,659
Treasury shares	(23)	(23)	(23)
Reserves	7,065,871	1,003,198	1,003,198
	<b>8,507,368</b>	<b>2,444,695</b>	<b>1,837,834</b>
<b>NON-CONTROLLING INTERESTS</b>			
	373,529	346,329	346,329
	<b>8,880,897</b>	<b>2,791,024</b>	<b>2,184,163</b>
Represented by:			
<b>NON-CURRENT ASSETS</b>			
Investment properties	3,155,404	40,170	40,170
Associated companies	1,278,877	145,219	145,219
Other non-current assets	1,722,635	1,487,828	1,487,828
	<b>6,156,916</b>	<b>1,673,217</b>	<b>1,673,217</b>
<b>CURRENT ASSETS</b>			
Properties held for sale	4,709,952	31,312	31,312
Bank fixed deposits and cash and bank balances	1,944,722	1,304,679	697,818
Other current assets	1,333,797	633,265	633,265
	<b>7,988,471</b>	<b>1,969,256</b>	<b>1,362,395</b>
<b>Deduct: CURRENT LIABILITIES</b>			
Borrowings	862,019	105,904	105,904
Other current liabilities	1,641,224	483,245	483,245
	<b>2,503,243</b>	<b>589,149</b>	<b>589,149</b>
<b>NET CURRENT ASSETS</b>	<b>5,485,228</b>	<b>1,380,107</b>	<b>773,246</b>
<b>Deduct: NON-CURRENT LIABILITIES</b>			
Borrowings	2,582,525	207,735	207,735
Other non-current liabilities	178,722	54,565	54,565
	<b>2,761,247</b>	<b>262,300</b>	<b>262,300</b>
	<b>8,880,897</b>	<b>2,791,024</b>	<b>2,184,163</b>

## APPENDIX 3 – ADDITIONAL INFORMATION

### 1. DISCLOSURE OF INTERESTS

**1.1 Directors' Interests.** The interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings of the Company as at the Latest Practicable Date are set out below:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Mr Charoen Sirivadhanabhakdi	–	–	1,270,503,884	87.93
Khunying Wanna Sirivadhanabhakdi	–	–	1,270,503,884	87.93
Tengku Syed Badarudin Jamalullail	–	–	–	–
Mr Timothy Chia Chee Ming	–	–	–	–
Mr Koh Poh Tiong	192,830	0.013	29,813	0.002
Mrs Siripen Sitasuwan	–	–	–	–
Mr Chotiphat Bijananda	–	–	–	–
Mr Thapana Sirivadhanabhakdi	–	–	–	–
Mr Sithichai Chaikriangkrai	–	–	–	–
Mr Prapakon Thongtheppairot	–	–	–	–

**Note:**

<sup>(1)</sup> The figures are based on the issued share capital of 1,444,906,286 Shares as at the Latest Practicable Date, excluding 4,100 Shares held as treasury shares.

**1.2 Substantial Shareholders' Interests.** The interests of the substantial Shareholders in the Shares as recorded in the Register of Substantial Shareholders of the Company as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Mr Charoen Sirivadhanabhakdi			1,270,503,884	87.93
Khunying Wanna Sirivadhanabhakdi			1,270,503,884	87.93
InterBev Investment Limited	412,423,822	28.54		
International Beverage Holdings Limited			412,423,822	28.54
Thai Beverage Public Company Limited			412,423,822	28.54
TCC Assets Limited	858,080,062	59.39		
Siriwana Company Limited			412,423,822	28.54
MM Group Limited			412,423,822	28.54
Maxtop Management Corp.			412,423,822	28.54
Risen Mark Enterprise Ltd.			412,423,822	28.54
Golden Capital (Singapore) Limited			412,423,822	28.54

**Note:**

<sup>(1)</sup> The figures are based on the issued share capital of 1,444,906,286 Shares as at the Latest Practicable Date, excluding 4,100 Shares held as treasury shares.

### 2. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 during normal business hours from the date of this Circular up to the date of the EGM:

- (i) the annual report of the Company for FY2013; and
- (ii) the Memorandum and Articles of Association of the Company.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### FRASER AND NEAVE, LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 18980001R)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“**EGM**”) of Fraser and Neave, Limited (the “**Company**”) will be held at Ballrooms II and III, Level 2 InterContinental Singapore, 80 Middle Road, Singapore 188966 on 28 February 2014 at 2.30 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution which will be proposed as a Special Resolution:

### Special Resolution

#### Approval of the Proposed Capital Reduction

RESOLVED THAT pursuant to Article 54 of the Articles of Association of the Company and contingent upon the approval of the High Court of the Republic of Singapore:

- (a) the issued share capital of the Company shall be reduced by the sum of S\$606,860,640.12, and such reduction be effected by returning the sum of S\$606,860,640.12 from the issued share capital of the Company to the shareholders of the Company (“**Shareholders**”, being registered holders of the Shares (as defined below), other than the Company, except that where the registered holder is The Central Depository (Pte) Limited, the term “**Shareholders**” shall mean Depositors (other than the Company), as defined under the Companies Act, Chapter 50 of Singapore) on the basis of S\$0.42 for each issued ordinary share in the capital of the Company (each, a “**Share**”) held by a Shareholder or on his/her behalf as at a books closure date to be determined by the Directors (the “**Proposed Capital Reduction**”); and
- (b) the Directors and each of them be and are hereby authorised to do all acts and things and to execute all such documents as they or he may consider necessary or expedient to give effect to the Proposed Capital Reduction.

BY ORDER OF THE BOARD

Anthony Cheong Fook Seng  
Company Secretary  
5 February 2014

#### Notes:

1. A member of the Company entitled to attend and vote at the EGM 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 EGM. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the EGM if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

# FRASER AND NEAVE, LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No.189800001R)

## PROXY FORM

## EXTRAORDINARY GENERAL MEETING

### IMPORTANT:

1. For investors who have used their CPF moneys to buy shares in Fraser and Neave, Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by such CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the EGM as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the Company Secretary, Fraser and Neave, Limited. (Agent Banks: Please see Note 8 on the required format).

\*I / We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport Number)

of \_\_\_\_\_ (Address)

being a member/members of Fraser and Neave, Limited (the "Company"), hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (Note 2)	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (Note 2)	
			No. of Shares	%

or failing him/them, the Chairman of the Extraordinary General Meeting ("EGM"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the EGM to be held at Ballrooms II and III, Level 2 InterContinental Singapore, 80 Middle Road, Singapore 188966 on 28 February 2014 at 2.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Special Resolution to be proposed at the EGM as indicated hereunder. If no specified direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the EGM.

**NOTE: The Chairman of the EGM will be exercising his right under Article 70(a) of the Articles of Association of the Company to demand a poll in respect of the Special Resolution to be put to the vote at the EGM and at any adjournment thereof. Accordingly, the Special Resolution at the EGM will be voted on by way of poll.**

	For	Against
<b>Special Resolution</b> To approve the proposed Capital Reduction		

\* If you wish to exercise all your votes "For" or "Against" the Special Resolution, please tick (✓) within the relevant box. Alternatively, if you wish to exercise your votes for both "For" and "Against" the Special Resolution, please indicate the number of Shares in the boxes provided.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014

**Total Number of Shares held  
(Note 4):**

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Signature(s) of Member(s) or Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**





**NOTES:**

1. A member of the Company entitled to attend the EGM and vote is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited with the Company Secretary at the registered office of the Company not less than 48 hours before the time appointed for holding the EGM.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy to the EGM.
4. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the number of shares entered against his name in the Depository Register and registered in his name in the Register of Members of the Company. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Company) must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
8. Agent Banks acting on the request of CPF investors who wish to attend the EGM as Observers are required to submit in writing, a list with details of the investors' name, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for holding the EGM.