FRASER AND NEAVE, LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 189800001R)

PROPOSED ACQUISITION OF
WARBURG VENDING PTE LTD, WARBURG ENGINEERING PTE. LTD. AND
WARBURG VENDING SERVICES PTE. LTD.

Pursuant to Rule 704(17)(c) of the listing manual of the Singapore Exchange Securities Trading Limited, Fraser and Neave, Limited ("**F&N**" or the "**Company**") wishes to announce that F&N Foods Pte Ltd ("**FNF**"), a wholly-owned subsidiary of the Company, has today entered into a conditional agreement (the "**Share Purchase Agreement**") to acquire (the "**Proposed Acquisition**") the entire issued share capital in each of the following Singapore-incorporated companies:

(i) Warburg Vending Pte Ltd ("**WV**");

(ii) Warburg Engineering Pte. Ltd. ("**WE**"); and

(iii) Warburg Vending Services Pte. Ltd. ("**WVS**"),

("**WV Shares**", "**WE Shares**" and "**WVS Shares**" respectively, and collectively, the "**Sale Shares**").

If the Proposed Acquisition is completed successfully, each of WV, WE and WVS will become indirect wholly-owned subsidiaries of F&N.

Each of WV and WVS carry on the business of providing vending machines for food and beverage products. WE carries on the business of installation services for can, cup and snack vending machines, the provision of outdoor technical services (including maintenance and repair/replacement of consumable parts) and logistic services to deliver, install and/or remove vending machines at various locations in Singapore. These are complementary to the existing business of the Company.

The aggregate consideration for the Sale Shares is S$29,000,000, subject to certain post-completion net debt, working capital and other adjustments to be made in accordance with the Share Purchase Agreement (the "**Consideration**"). The Consideration was arrived at on a "willing-buyer-willing-seller" basis, taking into consideration, *inter alia*, the net asset value and earnings of WV, WE and WVS. The Consideration is payable in cash and will be funded from internal sources.

Based on the unaudited financial statements of each of WV, WE and WVS for the nine-month period ended 31 March 2016, the net asset value attributable to the WV Shares, WE Shares and WVS Shares are approximately S$7,727,000, S$275,000 and S$244,000 respectively.

The Proposed Acquisition is not expected to have a material effect on the net asset value per share or earnings per share of F&N and its subsidiaries for the current financial year.

None of the Directors or controlling shareholders of the Company has any interest, directly or indirectly, in the Proposed Acquisition.

BY ORDER OF THE BOARD

Anthony Cheong Fook Seng
Company Secretary

15 June 2016