CIRCULAR DATED 13 DECEMBER 2012

THIS CIRCULAR IS ISSUED BY ASIA PACIFIC BREWERIES LIMITED. THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF UBS AG, SINGAPORE BRANCH TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

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

If you have sold or transferred all your issued ordinary shares in the capital of Asia Pacific Breweries Limited, you should immediately forward this Circular to the purchaser or to the bank, stockbroker or agent through whom you effected the sale for onward transmission to the purchaser.

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.

ASIA PACIFIC BREWERIES LIMITED
(Company Registration No.: 193100007K)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS
in relation to the
MANDATORY UNCONDITIONAL CASH OFFER
by
CREDIT SUISSE (SINGAPORE) LIMITED
(Company Registration No.: 197702363D)
(Incorporated in the Republic of Singapore)

and

CITIGROUP GLOBAL MARKETS SINGAPORE PTE. LTD.
(Company Registration No.: 199002673E)
(Incorporated in the Republic of Singapore)

for and on behalf of

HEINEKEN INTERNATIONAL B.V.
(Company Registration No.: 33103545)
(Incorporated in the Netherlands)

to acquire all the issued ordinary shares in the capital of Asia Pacific Breweries Limited other than those already owned, controlled or agreed to be acquired by Heineken International B.V. and its related corporations

Independent Financial Adviser to the Independent Directors

UBS AG, SINGAPORE BRANCH
(Registration No.: S98FC5560C)
(Registered in the Republic of Singapore)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT STATES THAT THE OFFER (AS DEFINED HEREIN) WILL CLOSE AT 5.30 P.M. (SINGAPORE TIME) ON 8 JANUARY 2013 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN). ACCORDINGLY, SHAREHOLDERS WHO WISH TO ACCEPT THE OFFER MUST DO SO BY SUCH TIME AND DATE.
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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

“APBL Annual Report” : The annual report of the Company

“APBL Distribution” : Has the meaning ascribed to it in Section 2.5 of this Circular

“APBL Options” : Share options to subscribe for new Shares granted by the Company pursuant to the Option Scheme which remain exercisable until the end of the relevant APBL Option period notwithstanding the Option Scheme having expired in July 2004

“Board” : Board of Directors of the Company

“Books Closure Date” : Has the meaning ascribed to it in Section 2.5 of this Circular

“CDP” : The Central Depository (Pte) Limited

“Circular” : This circular to Shareholders dated 13 December 2012 in relation to the Offer

“Citi” : Citigroup Global Markets Singapore Pte. Ltd., being one of the two financial advisers to the Offeror in connection with the Offer

“Closing Date” : 5.30 p.m. (Singapore time) on 8 January 2013 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the closing time and date for the lodgement of acceptances of the Offer

“Code” : The Singapore Code on Take-overs and Mergers

“Companies Act” : Companies Act, Chapter 50 of Singapore

“Company” or “APBL” : Asia Pacific Breweries Limited

“Convertible Securities” : Securities convertible or exchangeable into new shares or existing shares

“CPF” : Central Provident Fund

“CPFIS” : CPF Investment Scheme

“CPFIS Investors” : Investors who purchase Shares using their CPF savings under the CPFIS

“Credit Suisse” : Credit Suisse (Singapore) Limited, being one of the two financial advisers to the Offeror in connection with the Offer

“Derivatives” : Any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities

“Directors” : The directors of the Company (including the Independent Directors) as at the Latest Practicable Date

“Dissenting Shareholders” : Has the meaning ascribed to it in Section 5.1 of this Circular

“FAA” : Form of Acceptance and Authorisation
“FAT” : Form of Acceptance and Transfer

“Financial Advisers” : Credit Suisse and Citi

“FY” : Financial year ended or ending 30 September

“F&NL” : Fraser & Neave, Limited

“F&NL Sale and Purchase Agreements” : Has the meaning ascribed to it in Section 1.1 of this Circular

“Group” : The Company, its subsidiaries, joint ventures and associated companies

“Heineken” : Heineken N.V., the holding company of the Offeror

“Heineken First Announcement Date” : 20 July 2012, being the date of Heineken’s press release first indicating its intentions to acquire F&NL’s direct and indirect interests in the Company

“Heineken Proposed Acquisitions” : Has the meaning ascribed to it in Section 1.1 of this Circular

“IFA Letter” : Has the meaning ascribed to it in Section 7.1 of this Circular

“Independent Directors” : The Directors who are considered independent for the purpose of making recommendations to the Shareholders in respect of the Offer, namely Mr Simon Israel, Mr Roland Pirmez, Mr Pascal De Petrini, Mr Philip Eng Heng Nee and Mr Bob Tan Beng Hai

“Latest Practicable Date” : 8 December 2012, being the latest practicable date prior to the printing of this Circular

“Listing Manual” : Listing manual of the SGX-ST, as amended up to the Latest Practicable Date

“Market Day” : A day on which the SGX-ST is open for the trading of securities

“Offer” : The mandatory unconditional cash offer by the Financial Advisers, for and on behalf of the Offeror, to acquire the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT

“Offer Announcement” : Announcement of the Offer on the Offer Announcement Date made by the Financial Advisers, for and on behalf of the Offeror

“Offer Announcement Date” : 15 November 2012

“Offer Document” : The document (including the FAA and the FAT) dated 4 December 2012 issued by the Financial Advisers, for and on behalf of the Offeror, and any other document(s) which may be issued for and on behalf of the Offeror to amend, revise, supplement or update the document(s) from time to time

“Offer Price” : S$53.00 in cash for each Offer Share

“Offer Shares” : All Shares other than those already owned, controlled or agreed to be acquired by the Offeror and its related corporations

“Offeror” : Heineken International B.V.
“Offeror’s Request” : Has the meaning ascribed to it in Section 5.2 of this Circular

“Options” : Options to subscribe for or purchase new shares or existing shares

“Option Scheme” : The Asia Pacific Breweries Limited Executives’ Share Option Scheme approved by Shareholders on 21 February 1995 and which expired in July 2004

“Overseas Shareholder” : Shareholders whose addresses are outside Singapore, as shown on the register of holders of the Shares, as maintained by the Registrar or, as the case may be, in the record of CDP

“Pre-Conditional Offer Announcement Date” : 18 August 2012

“Registrar” : Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.)

“Section 215(1) Notice” : Has the meaning ascribed to it in Section 5.5 of this Circular

“Section 215(3) Notice” : Has the meaning ascribed to it in Section 5.5 of this Circular

“Section 215(1) Process” : Has the meaning ascribed to it in Section 5.4 of this Circular

“Section 215(3) Process” : Has the meaning ascribed to it in Section 5.4 of this Circular

“SGX-ST” : Singapore Exchange Securities Trading Limited

“Shareholders” : The holders of Shares, including persons whose Shares are deposited with CDP

“Shares” : Issued and paid-up ordinary shares in the capital of the Company

“SIC” : The Securities Industry Council

“UBS” or “IFA” : UBS AG, Singapore Branch, as the independent financial adviser to the Independent Directors in respect of the Offer

“Warrants” : Rights to subscribe for or purchase new shares or existing shares

“per cent.” or “%” : Per centum or percentage

“S$” and “cents” : Singapore dollars and cents, respectively

Acting in Concert, Associates. Unless otherwise defined, the expressions “acting in concert” and “associates” shall have the meanings ascribed to them respectively in the Code.

Genders. 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 and vice versa. References to persons shall, where applicable, include corporations.

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

Rounding. Any discrepancies in the figures in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.
Shareholders. References to “you”, “your” and “yours” in this Circular are, as the context so determines, to Shareholders.

Shares in the Capital of the Company. In this Circular, the total number of Shares is 258,233,024 (excluding treasury shares) as at the Latest Practicable Date.

Statutes. 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, the Code, the Listing Manual or any statutory modification thereof and not otherwise defined in the Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the Code, the Listing Manual or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary. The expression “subsidiary” shall have the meaning ascribed to it in the Companies Act.

Time and Date. Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively unless otherwise stated.
To: The Shareholders of Asia Pacific Breweries Limited

Dear Sir / Madam

Mandatory Unconditional Cash Offer

1. Introduction

1.1 The Heineken Proposed Acquisitions and the Offer Announcement. As set out in the Offer Announcement:

a. F&NL and the Offeror previously entered into two separate conditional sale and purchase agreements (collectively, the “F&NL Sale and Purchase Agreements”) pursuant to which F&NL agreed to sell and the Offeror agreed to acquire, inter alia, F&NL’s direct and indirect interests in the Company (the “Heineken Proposed Acquisitions”) on the terms and subject to the conditions set out in the F&NL Sale and Purchase Agreements;

b. the Heineken Proposed Acquisitions were completed on 15 November 2012 in accordance with the terms and conditions of the F&NL Sale and Purchase Agreements; and

c. following the completion of the Heineken Proposed Acquisitions, the Financial Advisers announced on 15 November 2012, for and on behalf of the Offeror, inter alia, the firm intention on the part of the Offeror to make the Offer in accordance with Rule 14 of the Code.

1.2 Offer Document. Shareholders should by now have received a copy of the Offer Document issued by the Financial Advisers, for and on behalf of the Offeror setting out, inter alia, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out on pages 9 and 10 of the Offer Document. Shareholders are advised to read the terms and conditions contained therein carefully.

1.3 Circular. The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Company and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer.
2. THE OFFER

2.1 Offer Price. As set out in the Offer Document, the Offer Price is:

For each Offer Share : S$53.00 in cash.

The Offer Price is final. The Offeror will not revise the Offer Price.

2.2 APBL Options. The Offer is extended, on the same terms and conditions, to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any APBL Options to subscribe for new Shares granted under the Option Scheme on or prior to the close of the Offer.

For the purposes of the Offer, the expression “Offer Shares” shall include all such new Shares. As at the Latest Practicable Date, the Company has no outstanding APBL Options under the Option Scheme.

2.3 Unconditional Offer. The Offer is unconditional in all respects.

2.4 No Encumbrances. The Offer Shares will be acquired (i) fully paid, (ii) free from any claims, securities, options, powers of sale, hypothecation, liens, equities, mortgages, charges, encumbrances, rights of pre-emption and any other third party rights, retention of title and interests of any nature whatsoever and (iii) together with all rights, benefits and entitlements attached thereto as at the Pre-conditional Offer Announcement Date and thereafter attaching thereto including all voting rights and the right to receive and retain all dividends and other distributions and return of capital (if any) which may be announced, declared, paid or made thereon by the Company on or after the Pre-conditional Offer Announcement Date (together with all interest accrued thereon).

2.5 Adjustment for APBL Distribution. As set out in the Offer Document and without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any dividend, other distribution or return of capital that may be declared, made or paid by the Company on the Offer Shares on or after the Pre-Conditional Offer Announcement Date (the “APBL Distribution”). In the event that any APBL Distribution has been paid by the Company to a Shareholder who accepts the Offer, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such APBL Distribution declared, made or paid by the Company to such accepting Shareholder on or after the Pre-Conditional Offer Announcement Date:

a. if the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls on or before the books closure date for the determination of entitlements to the APBL Distribution (the “Books Closure Date”), the Offeror will pay the relevant accepting Shareholder the Offer Price in cash for each Offer Share, as the Offeror will receive the APBL Distribution in respect of those Offer Shares from the Company; and

b. if the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the Books Closure Date, the net amount of the APBL Distribution in respect of such Offer Shares will be deducted from the Offer Price payable for such Offer Shares, as the Offeror will not receive the APBL Distribution in respect of those Offer Shares from the Company.

2.6 Details of the Offer. Further details of the Offer are set out in Appendices 1 and 2 to the Offer Document in relation to (a) the duration of the Offer, (b) the settlement of the consideration for the Offer and (c) the requirements relating to the announcement of the level of acceptances of the Offer.

A copy of each of the Offer Announcement and the Offer Document is available on the website of the SGX-ST at www.sgx.com.

2.7 Closing Date. Shareholders should note that the Offer will close at 5.30 p.m. (Singapore time) on 8 January 2013 or such other later date(s) as may be announced from time to time by or on behalf of the Offeror.
3. RATIONALE FOR THE OFFER AND THE OFFEROR’S INTENTIONS RELATING TO THE COMPANY

The full text of the rationale for the Offer and the Offeror’s intentions relating to the Company have been extracted from the Offer Document and set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below and in the extracts in Sections 4, 9 and 10 below shall have the same meanings as those defined in the Offer Document. Shareholders are advised to read the extract below carefully.

“8. RATIONALE FOR THE OFFER AND THE OFFEROR’S INTENTIONS FOR THE COMPANY

8.1 Rationale for the Offer. As set out in Section 1 of this Offer Document, the Offeror is making the Offer in compliance with Rule 14 of the Code. The Offer provides the Shareholders with an opportunity to exit from the Company and realise their investment in APB Shares for cash at an attractive premium.

8.2 Intentions for the Company. As noted in Section 8.3 of this Offer Document below, the Offeror is making the Offer with a view to delisting the Company from the SGX-ST and exercising its rights of compulsory acquisition under Section 215(1) of the Companies Act, in the event that the Offeror becomes entitled to do so.

It is envisaged that the Company and its subsidiaries (the “APB Group”) will continue operating in its present form after the Offer. The Offeror currently has no intention to: (i) introduce any major changes to the business of the APB Group; (ii) re-deploy fixed assets of the APB Group; or (iii) discontinue the employment of any of the existing employees of the APB Group, other than in the ordinary course of business or pursuant to the integration process.

Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which it regards to be in the interests of the Offeror and/or the Company.”

4. COMPULSORY ACQUISITION AND LISTING STATUS

The Offer Document also sets out the intentions of the Offeror relating to compulsory acquisition and the listing status of the Company, as follows:

“8.3 Listing Status. Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror, and parties acting in concert with it, to above 90% of the total number of issued APB Shares (excluding any APB Shares held in treasury), the SGX-ST may suspend the trading of the APB Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued APB Shares (excluding any APB Shares held in treasury) are held by at least 500 shareholders of the Company who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued APB Shares (excluding any APB Shares held in treasury), thus causing the percentage of the total number of APB Shares (excluding any APB Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the APB Shares only at the close of the Offer.

In addition, Rule 724 of the Listing Manual states that if the percentage of APB Shares held in public hands falls below 10%, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the APB Shares. Rule 725 of the Listing Manual states that the SGX-ST may allow the Company a period of 3 months, or such longer period as the SGX-ST may agree, to raise the percentage of APB Shares held in public hands to at least 10%, failing which the Company may be delisted.
The percentage of APB Shares held in public hands had fallen below 10% on 14 August 2012. The Company had announced on 14 August 2012 that in view of the Company being in the offer period for the purposes of the Code, the Company had requested the SGX-ST, and the SGX-ST had allowed, for the APB Shares to continue trading on the SGX-ST, until further notice.

As at the Latest Practicable Date, only 4.7% of APB Shares are held in public hands.

The intention of the Offeror is not to maintain the listing status of the Company. The Offer is made by the Offeror with a view to delisting the Company and acquiring full control of it. The Offeror does not intend to undertake or to support any action to restore the public float of the Company to the required 10% level under Rule 723 of the Listing Manual.

8.4 Compulsory Acquisition. Pursuant to Section 215(1) of the Companies Act, in the event the Offeror receives approval of the Offer within 4 months of the making of the Offer, in respect of not less than 90% of the Offer Shares (excluding any APB Shares held in treasury and other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the APB Shares of the Shareholders who have not accepted the Offer, at a price equal to the Offer Price. In such event, if the Offeror is entitled to do so, it shall exercise any rights of compulsory acquisition at a price equal to the Offer Price that it may have in connection with the Offer.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of APB Shares which, together with APB Shares held by it and its related corporations comprise 90% or more of the APB Shares, Shareholders who have not accepted the Offer would have a right to require the Offeror to acquire their APB Shares at the Offer Price. Shareholders who wish to exercise such a right are advised to seek their own independent legal advice. Unlike Section 215(1) of the Companies Act, the 90% threshold under Section 215(3) of the Companies Act does not exclude APB Shares held by the Offeror, its related corporations or their respective nominees as at the date of the Offer.”

5. LISTING STATUS OF THE COMPANY AFTER THE OFFER

5.1 Possible Consequences of the Offer on the Listing Status of the Company. Based on the Offeror’s intentions in relation to the listing status of the Company as set out in Section 4 above, Shareholders should note the following possible consequences of the Offer on the listing status of the Company:

a. Offeror’s Rights of Compulsory Acquisition. If the Offeror becomes entitled to exercise its rights to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer (the “Dissenting Shareholders”) under Section 215(1) of the Companies Act, and does so in accordance with its stated intentions as set out in Section 4 above, it will own and control all the Shares and the Company will be delisted from the Main Board of the SGX-ST;

b. Public Float Requirement. As announced previously by the Company on 14 August 2012, the percentage of Shares held in public hands had fallen below 10 per cent. as at the date of that announcement, pursuant to which:

(i) under Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror, and parties acting in concert with it, to above 90 per cent. of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10 per cent. of the total number of Shares (excluding any Shares held in treasury) are held by at least 500 Shareholders who are members of the public; and
(ii) Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Accordingly, trading in the Shares will be suspended after the close of the Offer. Please see Section 5.6 below.

c. **Voluntary Delisting.** Under Rule 1307 of the Listing Manual, it is possible for an issuer to make an application to delist from the SGX-ST if:

(i) the issuer convenes a general meeting to obtain shareholder approval for the delisting;

(ii) the resolution to delist the issuer is approved by a majority of at least 75 per cent. of the total number of shares excluding treasury shares held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting (the issuer's directors and controlling shareholder need not abstain from voting on the resolution); and

(iii) the resolution is not voted against by 10 per cent. or more of the total number of issued shares excluding treasury shares held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting.

In addition, under Rule 1309 of the Listing Manual, (a) a reasonable exit alternative, which should normally be in cash, would have to be offered to, (1) the issuer's shareholders and (2) holders of any other classes of listed securities to be delisted and (b) the issuer would have to normally appoint an independent financial adviser to advise on the exit offer.

5.2 **Request.** As announced by the Company on 8 December 2012, the Offeror had on 8 October 2012 requested the Company to submit an application to the SGX-ST to apply for a delisting of the Company from the Main Board of the SGX-ST immediately upon the close of the Offer, subject to the Independent Directors, upon the advice of the independent financial adviser appointed by the Board, making a recommendation to the Shareholders to accept the Offer (the “Offeror’s Request”).

5.3 **Considerations of the Board.** In considering the Offeror's Request, the Board took into account the Offeror's intentions in relation to the listing status of the Company as set out in Section 4 above and also took into account the possible consequences of the Offer on the listing status of the Company after the close of the Offer as set out in Section 5.1 above. In addition, the Board also took into account various factors, including the following:

a. **Inability to restore public float.** The Company does not currently have a general share issue mandate in place which would give the Board authority and discretion to issue new Shares. Accordingly, it would be necessary for the Company to seek Shareholders’ approval for any proposed issue of new Shares. In the circumstances, it would not be possible for the Company to attain the necessary Shareholders’ approval to issue new Shares to the public in order to comply with the public float requirements prescribed under the Listing Manual, as the Offeror has indicated that it would not support such corporate action;

b. **Offeror is able to control the outcome of any EGM.** As the Offeror owns or controls 95.3 per cent. of the Shares as at 26 November 2012, the Offeror would be able to unilaterally decide the outcome of any extraordinary general meeting convened by the Company to approve the delisting of the Company pursuant to Rule 1307 of the Listing Manual. Accordingly, the results of any such extraordinary general meeting could be pre-determined prior to it;
c. **Restriction from raising offer price.** Under Rule 33.2 of the Code, except with the consent of SIC, if an offeror, together with any person acting in concert with him, holds shares carrying more than 50 per cent. of the voting rights of a company, neither the offeror nor any person acting in concert with him may, within six months of the closure of any previous offer made by the offeror to the shareholders of that company which became or was declared unconditional in all respects, make a second offer to, or acquire any shares from, any shareholder in that company on terms better than those made available under the previous offer; and

d. **Clarity to Shareholders.** It would benefit Shareholders to know, prior to the close of the Offer, the listing status of the Company after the close of the Offer, so that they have sufficient opportunity to evaluate the Offer and decide whether to accept or reject the Offer.

Based upon the considerations set out above, the Board submitted an application to the SGX-ST on 8 November 2012 to seek a ruling from the SGX-ST that the Company be delisted from the Main Board of the SGX-ST following the close of the Offer, subject to the following conditions being satisfied:

(i) the independent financial adviser opining that the terms of the Offer are reasonable (or issuing any equivalent or favourable opinion); and

(ii) the Independent Directors make a recommendation to Shareholders to accept the Offer, based on the foregoing opinion of the independent financial adviser.

5.4 **SGX-ST Confirmations.**

a. The Company has been informed by the SGX-ST that based on the Company's submissions and representations to the SGX-ST, the SGX-ST has no objection to the delisting of the Company and will grant the Company a waiver from Rule 1307 of the Listing Manual, subject to:

(i) submission of a written confirmation by the Company that it is not aware of any information that will have a material bearing on investors’ decision which has yet to be announced;

(ii) the independent financial adviser stating in their opinion that, the Offer is (a) fair and reasonable and not prejudicial to the interests of Shareholders; and (b) the Independent Directors recommend to Shareholders to accept the Offer;

(iii) an immediate announcement on the SGX-ST having no objection to the delisting of the Company and waiver of Rule 1307 of the Listing Manual, the reasons for not seeking Shareholders’ approval and the SGX-ST’s conditions as required under Rule 107 of the Listing Manual; and

(iv) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company,

(the “Conditions”).

b. The SGX-ST has also confirmed that it has no objections to the delisting of the Company on the earlier of (i) the completion of the exercise by the Offeror of its rights pursuant to Section 215(1) of the Companies Act if the Offeror becomes entitled to do so (the “**Section 215(1) Process**”) and (ii) the completion of the process under Section 215(3) of the Companies Act (the “**Section 215(3) Process**”).

c. Shareholders should note that the SGX-ST’s foregoing confirmations are not indications of the merits of the delisting of the Company from the Main Board of the SGX-ST.
5.5 Indicative Timings of Section 215(1) Process and Section 215(3) Process.

(a) Under Section 215(1) of the Companies Act:

(i) as set out in the Offer Document, if the Offeror receives approval of the Offer within four months of the making of the Offer, in respect of not less than 90 per cent. of the Offer Shares (excluding any Shares held in treasury and other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror has two months after the Offer has been so approved to give notice in the prescribed manner to any Dissenting Shareholder that it desires to acquire his Shares (the “Section 215(1) Notice”); and

(ii) the Offeror is entitled to acquire all the Shares of the Dissenting Shareholders within one month from the date the Section 215(1) Notice is given (assuming that none of the Dissenting Shareholders apply to court or request for a list of other Dissenting Shareholders).

(b) In addition, under Section 215(3) of the Companies Act:

(i) if the Offeror acquires such number of Shares which, together with the Shares held by it and its related corporations, comprise 90 per cent. or more of the total number of issued Shares, the Dissenting Shareholders have a right to require the Offeror to acquire their Shares at the Offer Price and the Offeror has one month after Section 215(3) of the Companies Act has been triggered to give notice of that fact in the prescribed manner to the Dissenting Shareholders (the “Section 215(3) Notice”); and

(ii) the Dissenting Shareholders have three months from the giving of the Section 215(3) Notice to require the Offeror to acquire their Shares.


6. EXEMPTION RELATING TO DIRECTORS’ RECOMMENDATION

6.1 SIC. The SIC ruled on 15 October 2012 that the following Directors, namely Mr Theo de Rond, Mr D R Hazelwood and Mr Kenneth Choo Tay Sian are not considered independent for the purposes of the Offer under Rule 8.3 of the Code as they face irreconcilable conflicts of interest. Mr Theo de Rond, Mr D R Hazelwood and Mr Kenneth Choo Tay Sian are nominees of Heineken, and accordingly, are concert parties of the Offeror.

6.2 Scope of Responsibility. In view of the relationships between each of Mr Theo de Rond, Mr D R Hazelwood and Mr Kenneth Choo Tay Sian and the Offeror as set out in Section 6.1 and the potential conflict of interests arising therefrom, Mr Theo de Rond, Mr D R Hazelwood and Mr Kenneth Choo Tay Sian have been exempted by the SIC from the requirement to make a recommendation to the Shareholders on the Offer. However, they remain responsible for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.
7. ADVICE OF THE IFA

7.1 IFA. UBS has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer. UBS’ advice is set out in its letter dated 13 December 2012, which is set out in pages 17 to 45 of this Circular (the “IFA Letter”).

7.2 Factors Taken into Consideration by UBS. In rendering its advice, UBS has taken into consideration certain factors (an extract of which is set out below). Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter. Shareholders should read the following extract in conjunction with, and in the context of, the full text of the IFA Letter.

“12 CONCLUSION

In arriving at our opinion to the Independent Directors, we have considered the financial information that has been made available to us, and we have taken into consideration, inter alia, the following factors:

(a) The Shares have traded in a band between S$25.00 and S$35.00 over the 12-month period prior to and including the Unaffected Share Price Date i.e. the Offer Price of S$53.00 per share is at a premium of 112% to 51% to this range;

(b) The Offer Price represents a premium of approximately 52.8%, 53.4%, 53.6%, 55.2%, 64.4% and 85.5% respectively over the volume-weighted average price of the Shares in the 1-week, 1-month, 3-month, 6-month and 12-month periods prior to and including the Unaffected Share Price Date;

(c) The implied LTM P/E and EV/EBITDA multiples for the Offer Price are each at a premium to the mean and the median historical multiples of APB over 12 months up to and including the Unaffected Share Price Date;

(d) The implied LTM P/E, EV/EBITDA, and EV/Revenue multiples for the Offer Price are each at a premium to the mean and the median historical multiples of the selected Beer Companies;

(e) The implied LTM P/E, EV/EBITDA, and EV/Revenue multiples for the Offer Price are each at a premium to the mean and the median historical multiples of the Selected Precedent Transactions;

(f) The offer premium resulting from the Offer Price is at a premium to the 1-day, 1-month, 3-month and 6-month mean and median offer premia of selected general and partial offers (excluding schemes of arrangement and voluntary delistings) in Singapore since January 2007;

(g) Based on the information provided by the Directors, the Company has not been approached by any person with an offer competing with the Offer as at the IFA Reference Date;

(h) The Offeror has stated in the Offer Document that the Offer is unconditional in all respects;

(i) The Offeror has stated in the Offer Document that it will not revise the Offer Price;

(j) The Company has announced on 14 August 2012 that the percentage of Shares held in public hands has fallen below 10% on 14 August 2012 and that in view of the Company being in the offer period for the purposes of the Code, the Company had requested the SGX-ST, and the SGX-ST had allowed, for the Shares to continue trading on the SGX-ST, until further notice;
(k) The Offeror has stated in the Offer Document that it is the present intention of the Offeror not to maintain the listing status of the Company. The Offer has been made by the Offeror with a view to delisting the Company and acquiring full control of it. The Offeror has also stated that it does not intend to undertake or to support any action to restore the public float of the Company to the required 10% level under Rule 723 of the Listing Manual; and

(l) The Offer Document states that as at 26 November 2012, being the latest practicable date prior to the printing of the Offer Document, only 4.7% of the Shares are held in public hands.”

7.3 Opinions of UBS. After having regard to the considerations set out in the IFA Letter, UBS has expressed certain opinions to the Independent Directors, an extract of which is set out below. Shareholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter.

“Based upon, and subject to, the foregoing, we are of the opinion that as at the IFA Reference Date, the Offer Price is fair and reasonable, from a financial point of view.

Subject to the foregoing, we are of the opinion that the Offer Price is not prejudicial to interests of Shareholders from a financial point of view solely on the basis that the Offer Price is fair and reasonable from a financial point of view, and on the assumption without independent verification that the Offer is a Mandatory Takeover Offer made pursuant to and in accordance with Rule 14 of the Code and that pursuant to the Code, (i) the Offer Price is required to be the highest price paid by the Offeror and parties acting in concert with it during the six months preceding the Offer and during the Offer Period (as defined in the Code) and (ii) (save with the consent of the SIC) the Offeror and parties acting in concert with it would be restricted under Rule 33.2 of the Code from making a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Offer within six months from the close of the Offer. We have not considered and do not assume any responsibility to consider any other factors in arriving at this opinion.”

The IFA, in rendering their opinions expressed in the IFA Letter, did not have regard to nor took into account any general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any Shareholder or the Shareholders as a whole. The IFA does not assume any responsibility for, nor holds itself out as advisers to any person other than the Independent Directors.

8. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

8.1 Recommendation. The Independent Directors, having considered carefully the terms of the Offer and the advice given by UBS in the IFA Letter, concur with the advice of UBS in respect of the Offer, and accordingly, recommend that the Shareholders who wish to realise their investments in the Company to accept the Offer if they are unable to obtain a price higher than the Offer Price (after deducting all related expenses) in the open market.

SHAREHOLDERS ARE ADVISED TO READ THE IFA LETTER SET OUT ON PAGES 17 TO 45 OF THIS CIRCULAR CAREFULLY.

8.2 No Regard to Specific Objectives. In making their recommendation, the Independent Directors have not had regard to the specific objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

8.3 General. Shareholders should consider carefully the recommendation of the Independent Directors and the advice of UBS to the Independent Directors before deciding whether to accept or reject the Offer.
9. **OVERSEAS SHAREHOLDERS**

9.1 **Overseas Shareholders.** The Offer Document sets out certain information in relation to Overseas Shareholders, as follows:

“12. **OVERSEAS SHAREHOLDERS**

12.1 **Overseas Shareholders.** The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown on the Register, or, as the case may be, in the records of CDP ("Overseas Shareholders", each an "Overseas Shareholder"), may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable requirements in their own jurisdictions. For the avoidance of doubt, the Offer is made to all Shareholders, including those to whom this Offer Document and the relevant acceptance forms have not been or may not be sent, provided that this Offer Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Offer is not being made into any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

12.2 **Copies of Offer Document.** Shareholders (including Overseas Shareholders) may obtain copies of this Offer Document, the FAAs, the FATs and any related documents during normal business hours and up to the Closing Date from Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00, Singapore 068898 or The Central Depository (Pte) Limited at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807. Alternatively, Shareholders (including Overseas Shareholders) may write to Heineken International B.V. c/o Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00, Singapore 068898, to request for this Offer Document, the FAAs, the FATs and any related documents to be sent to an address in Singapore by ordinary post at their own risk up to 5 Market Days prior to the Closing Date.

12.3 **Notice.** The Offeror and the Financial Advisers reserve the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders with a registered address outside Singapore by announcement or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.

12.4 **Overseas Jurisdiction.** It is the responsibility of any Overseas Shareholder who wishes to accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements, and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable, and the Offeror and/or any person acting on its behalf (including the Financial Advisers) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf (including the Financial Advisers) may be required to pay. In accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror and each of the Financial Advisers that he is in full observance of the laws of the relevant jurisdiction in that connection and that he is in full compliance with all necessary formalities or legal requirements. **If any Overseas Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.**”
10. INFORMATION PERTAINING TO CPFIS INVESTORS

The Offer Document sets out certain information pertaining to CPFIS Investors in Section 13.2 to the Offer Document, as follows:

“13.2 Information Pertaining to CPFIS Investors. CPFIS Investors will receive further information on how to accept the Offer from their respective CPF Agent Banks directly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice. CPFIS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks. CPFIS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their CPF investment accounts.”

11. ACTION TO BE TAKEN BY SHAREHOLDERS

11.1 Accepting the Offer. Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. (Singapore time) on 8 January 2013 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, abiding by the procedures for the acceptance of the Offer as set out in Appendix 2 to the Offer Document, the FAA and/or the FAT.

Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document, the FAA and/or the FAT which have been sent to them.

12. RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular are fair and accurate and that no material facts have been omitted from this Circular, and the Directors jointly and severally accept full responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Document), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are fair and accurate.

Yours faithfully
For and on behalf of
the Board of Directors

Simon Israel
Chairman
LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

13 December 2012

To: The Independent Directors
Asia Pacific Breweries Limited
438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

Dear Sir/Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY CREDIT SUISSE (SINGAPORE) LIMITED (“CREDIT SUISSE”) AND CITIGROUP GLOBAL MARKETS SINGAPORE PTE. LTD. (“CITI”), (COLLECTIVELY, THE “FINANCIAL ADVISERS”) FOR AND ON BEHALF OF HEINEKEN INTERNATIONAL B.V. (“HIBV” OR “THE OFFEROR”) TO ACQUIRE ALL THE ISSUED ORDINARY SHARES (“SHARES”) IN THE CAPITAL OF ASIA PACIFIC BREWERIES LIMITED (“APB” OR “THE COMPANY”), OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND ITS RELATED CORPORATIONS.

1. INTRODUCTION

On 18 August 2012 (the “Pre-Conditional Offer Announcement Date”), the Financial Advisers announced, for and on behalf of the Offeror, that the Offeror had entered into two separate conditional sale and purchase agreements (the “F&NL Sale and Purchase Agreements”) with Fraser and Neave, Limited (“F&NL”) for the purchase by the Offeror and the sale by F&NL of the following shares:

- 41,175,000 ordinary shares and 31,766,808 preference shares (“APIPL Sale Shares”) in the issued and paid-up capital of Asia Pacific Investment Pte Ltd (“APIPL”), representing 50% of the entire issued and paid-up share capital of APIPL as at 17 August 2012; and
- 18,753,887 ordinary shares (“APB Sale Shares” and collectively with the APIPL Sale Shares, the “Sale Shares”) in the issued and paid-up capital of the Company representing approximately 7.26% of the entire issued and paid-up share capital of the Company as at 17 August 2012,

(collectively, the "HEINEKEN Proposed Acquisitions").

It was also announced that subject to the fulfillment and/or waiver of the conditions precedent in the F&NL Sale and Purchase Agreements and in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers (the "Code"), the Offeror is required and intends to, on completion of the HEINEKEN Proposed Acquisitions, make a mandatory general cash offer for all Shares, other than those already owned, controlled or agreed to be acquired by the Offeror and its related corporations.

On 15 November 2012 (the “Offer Announcement Date”), the Financial Advisers announced, for and on behalf of the Offeror, inter alia, that the Offeror had completed the HEINEKEN Proposed Acquisitions and that, in accordance with Rule 14 of the Code, the Offeror shall make a mandatory unconditional cash offer (the "Offer") for all the Shares, other than those already owned, controlled or agreed to be acquired by the Offeror and its related corporations as at the date of the Offer ("Offer Shares").

The Offer Document dated 4 December 2012 issued by the Financial Advisers, for and on behalf of the Offeror (the “Offer Document”) states that as at 26 November 2012, being the latest practicable date prior to the printing of the Offer Document, only 4.7% of the Shares are held in public hands.

UBS AG, Singapore Branch (the “IFA”) has been appointed to act as the Independent Financial Adviser to the Independent Directors in respect of the Offer. This letter sets out our evaluation of the Offer, from a financial point of view, for inclusion in the circular (the “Circular”) to be sent by the Company to the Shareholders in connection with the Offer. Unless otherwise defined in this letter or the context otherwise requires, all terms defined in the Circular shall have the same meanings when used in this letter.
2. TERMS OF REFERENCE

In the course of our evaluation of the Offer, from a financial point of view, we have, amongst other things:

(i) reviewed certain publicly available financial statements and other information relating to the Company, as well as certain information provided and representations made to us by the Directors, senior executives of the Company, professional advisers and other authorized representatives of the Company;

(ii) discussed the past and current operations and financial condition of the Company with senior executives of the Company, including the unaudited consolidated financial statements of the Company, its subsidiaries, joint ventures and associated companies (the “Group”) for the twelve month period ended 30 September 2012 announced by the Company on 15 November 2012 (the "Unaudited Annual Financials");

(iii) reviewed the reported prices, trading multiples and trading volume for the Shares;

(iv) compared the prices, trading multiples and trading volume of the Shares with those of certain other comparable publicly traded companies and their securities;

(v) reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;

(vi) participated in discussions with representatives of the Company and its legal advisors with respect to the Offer;

(vii) reviewed the Offer Document and the Circular; and

(viii) performed such other analyses, reviewed such other information, and considered such other matters as we deemed appropriate.

We do not evaluate and/or comment on the strategic, long term or otherwise, and/or commercial merits of the Offer or the listing status or on the future prospects of the Company or the Group, including without limitation, following the close of the Offer. Our opinions do not address the relative merits of the Offer as compared to any other alternative transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

This letter (which for the avoidance of doubt, including the opinions expressed herein) is necessarily based on financial, economic, market and other conditions in effect on, and the information made available to us as at 5 December 2012, (being the latest practicable date for the IFA prior to the printing of the Circular, the “IFA Reference Date”).

The preparation of this letter, our evaluation of the Offer, from a financial point of view, and our opinions expressed in this letter are based solely upon market, economic, industry, monetary, regulatory and other conditions in effect on, and the information made available to us as at the IFA Reference Date.

In arriving at our view, we have taken into account certain other factors and have been required to make certain assumptions.

Our analysis is also performed with respect to the following reference dates:

(i) 16 July 2012, being the full trading day prior to the announcement released after trading hours on 16 July 2012, that Oversea-Chinese Banking Corporation Limited (“OCBC”) and Great Eastern Holdings Limited (“GEH”) have been approached with an offer to purchase, inter alia, their combined stakes in APB (aggregating approximately 7.92% of APB’s total issued shares as at 31 March 2012) and that they were having discussions on this (the “Unaffected Share Price Date”)

(ii) the Pre-Conditional Offer Announcement Date; and

(iii) the IFA Reference Date.

Events occurring after the IFA Reference Date may affect this letter (which for the avoidance of doubt, including the opinions expressed herein) and the assumptions used in preparing it. We assume no responsibility to update, revise or reaffirm this letter in light of any subsequent
development after the IFA Reference Date that may affect this letter.

The Independent Directors may wish to alert the Shareholders that market, economic, industry, monetary, regulatory and other conditions may change over a relatively short period of time and that they may wish to take note of any announcements which may be released after the IFA Reference Date.

We have not been requested or authorized to solicit and we have not solicited any indications of interest from any third party with respect to the Shares.

Any evaluation of and/or comment on the strategic, long term or otherwise, or commercial merits and/or risks of the Offer or on the future prospects of the Company or the Group, including without limitation, following the close of the Offer, remains the sole responsibility of the Independent Directors.

We note that the Company has made certain disclosures with respect to the listing status of the Company (the "Proposed Delisting") and the suspension of trading in the Shares on the SGX-ST following the close of the Offer. We have not evaluated the Proposed Delisting nor its relative merits, consequences or feasibility of success. We are not responsible (and do not assume responsibility) for the views expressed in respect of the same. All matters relating to the Proposed Delisting and the Proposed Delisting itself do not fall within the scope of our terms of reference. We also have not considered the implications of the suspension of trading in the Shares on the SGX-ST following the close of the Offer as that does not fall within our scope of reference.

We have assumed and relied upon, without independent verification, the accuracy, adequacy and completeness of the information that was publicly available or supplied or otherwise made available to us by the Company and which has formed a substantial basis for this opinion. We cannot and do not represent or warrant, expressly or implicitly, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information.

The Directors have confirmed to us that, to the best of their knowledge and belief, all material information in connection with the Company, the Group, the Offer and the Circular has been disclosed to us, that such information is true, complete and accurate in all material respects and that there are no omissions which may cause any information given to us to be incomplete, inaccurate or misleading. The Directors have jointly and severally accepted the responsibility for the accuracy and completeness of such information. We have relied upon such confirmation by the Directors and the accuracy and completeness of all information given to us and have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent or warrant, expressly or implicitly, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company or the Group and we have not been furnished with any such evaluation or appraisal.

In addition, we have assumed that the Offer will be consummated in accordance with the terms set forth in the Offer Document without any waiver, amendment or delay of any terms or conditions. The IFA has assumed that in connection with receipt of all necessary governmental, regulatory or other approvals and consents required for the Offer, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Offer. We are not legal, tax or regulatory advisers. We are financial advisers only and have relied upon, without independent verification, the assessment of the Company and its legal, tax or other regulatory advisers with respect to such matters.

We have also relied upon the assurances of the Directors that the Circular has been approved by the Directors (including any who may have delegated detailed supervision of the Circular) who have taken all reasonable care to ensure that the facts stated and all opinions expressed (excluding those expressed in this letter and excluding, in the case of the Directors who are not Independent Directors, the Independent Directors’ recommendation) in the Circular are fair and accurate and that no material facts have been omitted from the Circular. The Directors jointly and severally accept full responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Document), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in the Circular.
Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Company or the Group, including without limitation, following the close of the Offer. We are therefore not expressing any opinion herein as to trading liquidity levels of the Shares, the price at which the Shares may trade upon the completion, expiry, withdrawal, or rejection of the Offer or on the future financial performance of the Company or the Group, including without limitation, following the close of the Offer.

For the purposes of our evaluation of the Offer, from a financial point of view, we have not received nor relied on any financial projections or forecasts in respect of the Company or the Group. We are not required to express and we do not express any view on the growth prospects and earnings potential of the Company or the Group.

In rendering our opinions expressed herein, the Independent Directors should note that we did not have regard to nor took into account any general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any Shareholder or the Shareholders as a whole. As each Shareholder would have different investment objectives and profiles, the Independent Directors may wish to advise any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio to consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this letter and Section 4.4 of Appendix 1 of the Circular). Accordingly, we take no responsibility for (other than for Section 4.4 of Appendix 1 of the Circular) and express no views, whether expressly or implicitly, on the contents of the Circular (except for this letter).

We do not assume any responsibility for, nor hold ourselves out as advisers to any person other than the Independent Directors.

We have acted as Independent Financial Adviser to the Independent Directors for the purposes of the Offer and will receive a fee for our services in connection with the delivery of this letter. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement. In the ordinary course of our business, we or our affiliates may actively trade the Shares or derivatives in relation to the Shares for our own account and for the accounts of customers, and accordingly, may at any time hold a long or short position in such securities. We or our affiliates may also seek to provide services to the Company, the Offeror and parties acting in concert with each of the Company and the Offeror in the future and expect to receive fees for rendering such services.

This letter (which for the avoidance of doubt, including the opinions expressed herein) is solely for the information of the Independent Directors in connection with and for the purpose of their consideration of the Offer only and may not be used for any other purpose without our prior written consent. This letter (which for the avoidance of doubt, including the opinions expressed herein) is not addressed to and may not be relied upon by any third party including, without limitation, Shareholders, employees or creditors of the Company.

Our opinions set forth herein should be considered in the context of the entirety of this letter and the Circular.
3. THE OFFER
3.1 TERMS AND CONDITIONS OF THE OFFER
Shareholders should by now have received a copy of the Offer Document, setting out, amongst other things, the terms and conditions of the Offer. All terms and expressions used in the extracts set out in Section 3 of this letter shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

The principal terms of the Offer, as extracted from Section 2 of the Offer Document, are set out below:

“2.1 Consideration
Subject to the terms and conditions set out in this Offer Document, the Offer is made by the Financial Advisers, for and on behalf of the Offeror, on the following basis:

(a) the Offer is made for all the Offer Shares; and
(b) the price for each Offer Share (the “Offer Price”) will be as follows:
For each Offer Share: S$53.00 in cash.
The Offer Price is final. The Offeror will not revise the Offer Price.

2.2 APB Shares Arising from Valid Exercise of Options
The Offer is extended, on the same terms and conditions, to all new APB Shares unconditionally issued or to be issued prior to the close of the Offer, pursuant to the valid exercise of any outstanding Options. For the purposes of the Offer, the expression “Offer Shares” shall include such new APB Shares.

As at the Latest Practicable Date, based on the information available to the Offeror, there are no outstanding Options to subscribe for new APB Shares under the Scheme.

2.3 Offer Unconditional
The Offer is unconditional in all respects.

2.4 No Encumbrances
The Offer Shares are to be acquired:

2.4.1 fully paid;
2.4.2 free from any claims, securities, options, powers of sale, hypothecation, liens, equities, mortgages, charges, encumbrances, rights of pre-emption and any other third party rights, retention of title and interests of any nature whatsoever (“Encumbrances”); and
2.4.3 together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including all voting rights and the right to receive and retain all dividends and other distributions and return of capital (if any) which may be announced, declared, paid or made thereon by the Company on or after the Pre-Conditional Offer Announcement Date (together with all interest accrued thereon).

2.5 Adjustment for APB Distribution
Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any dividend, other distribution or return of capital that may be declared, made or paid by the Company on the Offer Shares on or after the Pre-Conditional Offer Announcement Date (the “APB Distribution”). In the event that any APB Distribution has been paid by the Company to a Shareholder who accepts the Offer, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such APB Distribution declared, made or paid by the Company to such accepting
Shareholder on or after the Pre-Conditional Offer Announcement Date:

2.5.1 if the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls on or before the books closure date for the determination of entitlements to the APB Distribution (the "Books Closure Date"), the Offeror will pay the relevant accepting Shareholder the Offer Price in cash for each Offer Share, as the Offeror will receive the APB Distribution in respect of those Offer Shares from the Company; and

2.5.2 if the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the Books Closure Date, the net amount of the APB Distribution in respect of such Offer Shares will be deducted from the Offer Price payable for such Offer Shares, as the Offeror will not receive the APB Distribution in respect of those Offer Shares from the Company.

3.2 Warranty

By tendering his Offer Shares in acceptance of the Offer, the Shareholder will be deemed to warrant that he sells such Offer Shares in the terms set out in Section 3 of the Offer Document, which is reproduced below:

“A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof: (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including all voting rights and the right to receive and retain all dividends and other distributions and return of capital (if any) which may be announced, declared, paid or made thereon by the Company on or after the Pre-Conditional Offer Announcement Date (together with all interest accrued thereon).”

3.3 No irrevocable undertakings

The Offer Document states that none of the Offeror, its directors and parties acting or deemed to be acting in concert with the Offeror has received any irrevocable undertaking from any party to accept or reject the Offer.

3.4 Further Details of the Offer

Further details of the Offer, including amongst other things, (a) the duration of the Offer, (b) the settlement of the consideration for the Offer, and (c) the procedures for acceptance, are set out in Appendices 1 and 2 of the Offer Document.

3.5 Duration of the Offer

The Offer Document states that the Offer will close at 5.30 p.m. (Singapore time) on 08 January 2013, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Further details of the duration of the Offer can be found at Appendix 1 of the Offer Document.

4. INFORMATION ON HEINEKEN N.V (“HEINEKEN”) AND THE OFFEROR

The information on HEINEKEN and the Offeror, as extracted from Section 6 of the Offer Document, is set out below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. Additional information on HEINEKEN and the Offeror can be found in Appendices 3 and 4 of the Offer Document.

“6.1 HEINEKEN

HEINEKEN is a public company incorporated under the laws of the Netherlands in 1873 and is listed on Euronext Amsterdam. As at the Latest Practicable Date, the directors of HEINEKEN were:
(i) Mr. Jean-François van Boxmeer; and (ii) Mr. René Hooft Graafland

6.2 The Offeror
The Offeror is the international investment arm and a wholly owned subsidiary of HEINEKEN and was incorporated in the Netherlands on 19 November 1959. As at the Latest Practicable Date, the sole director of the Offeror was HEINEKEN."

5. INFORMATION ON THE COMPANY
The information on the Company, as extracted from Section 7 of the Offer Document, is set out below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. Additional information on the Company can be found in Appendix 5 of the Offer Document.

“7.1 The Company
The Company is a public company incorporated under the laws of the Republic of Singapore on 14 April 1931 and is listed on the Main Board of the SGX-ST. As at the Latest Practicable Date, the directors of the Company were: (i) Mr. Simon Israel; (ii) Mr. Philip Eng Heng Nee; (iii) Mr. Bob Tan Beng Hai; (iv) Mr. Pascal De Petrini; (v) Mr. Theo de Rond; (vi) Mr. David Hazelwood; and (vii) Mr. Roland Pirmez. As at the Latest Practicable Date, Mr. Kenneth Choo Tay Sian, was alternate director to Mr. Theo de Rond.”

6. RATIONALE FOR THE OFFER
The rationale for the Offer as extracted from Section 8 of the Offer Document is set out below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

“8.1 Rationale for the Offer
As set out in Section 1 of the Offer Document, the Offeror is making the Offer in compliance with Rule 14 of the Code. The Offer provides the Shareholders with an opportunity to exit from the Company and realize their investment in APB Shares for cash at an attractive premium.”

7. OFFEROR'S INTENTIONS FOR THE COMPANY
The intentions of the Offeror in relation to the Company are as extracted from Section 8.2 of the Offer Document are set out below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

“8.2 Intentions for the Company
As noted in Section 8.3 of this Offer Document below, the Offeror is making the Offer with a view to delisting the Company from the SGX-ST and exercising its rights of compulsory acquisition under Section 215(1) of the Companies Act, in the event that the Offeror becomes entitled to do so.

It is envisaged that the Company and its subsidiaries (the “APB Group”) will continue operating in its present form after the Offer. The Offeror currently has no intention to: (i) introduce any major changes to the business of the APB Group; (ii) re-deploy fixed assets of the APB Group; or (iii) discontinue the employment of any of the existing employees of the APB Group, other than in the ordinary course of business or pursuant to the integration process.

Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which it regards to be in the interests of the Offeror and/or the Company.”

8. LISTING STATUS
8.1 The intentions of the Offeror in relation to the listing status of the Company as extracted from Section 8.3 of the Offer Document are set out below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

“8.3 Listing status

Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror, and parties acting in concert with it, to above 90% of the total number of issued APB Shares (excluding any APB Shares held in treasury), the SGX-ST may suspend the trading of the APB Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued APB Shares (excluding any APB Shares held in treasury) are held by at least 500 shareholders of the Company who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued APB Shares (excluding any APB Shares held in treasury), thus causing the percentage of the total number of APB Shares (excluding any APB Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the APB Shares only at the close of the Offer.

In addition, Rule 724 of the Listing Manual states that if the percentage of APB Shares held in public hands falls below 10%, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the APB Shares. Rule 725 of the Listing Manual states that the SGX-ST may allow the Company a period of 3 months, or such longer period as the SGX-ST may agree, to raise the percentage of APB Shares held in public hands to at least 10%, failing which the Company may be delisted.

The percentage of APB Shares held in public hands had fallen below 10% on 14 August 2012. The Company had announced on 14 August 2012 that in view of the Company being in the offer period for the purposes of the Code, the Company had requested the SGX-ST, and the SGX-ST had allowed, for the APB Shares to continue trading on the SGX-ST, until further notice.

As at the Latest Practicable Date, only 4.7% of APB Shares are held in public hands.

The intention of the Offeror is not to maintain the listing status of the Company. The Offer is made by the Offeror with a view to delisting the Company and acquiring full control of it. The Offeror does not intend to undertake or to support any action to restore the public float of the Company to the required 10% level under Rule 723 of the Listing Manual.”

8.2 We note that the Company announced on 14 August 2012 that the percentage of Shares held in public hands had fallen below 10% on 14 August 2012 and that in view of the Company being in the offer period for the purposes of the Code, the Company had requested the SGX-ST, and the SGX-ST had allowed, for the Shares to continue trading on the SGX-ST, until further notice.

8.3 We further note that the Company in its announcement dated 8 December 2012 stated that trading in the Shares will be suspended immediately following the close of the Offer and has stated its intentions in relation to its listing status in section 5 of the Circular. We wish to remind the Independent Directors that all matters relating to the Proposed Delisting and the Proposed Delisting itself, do not fall within the scope of our terms of reference. We also have not considered the implications of the suspension of trading in the Shares on the SGX-ST following the close of the Offer as that does not fall within our scope of reference.

9. COMPULSORY ACQUISITION

The intentions of the Offeror in relation to the compulsory acquisition of the Shares not held by the Offeror post the close of the Offer are set out in Section 8.4 of the Offer Document, which is reproduced below. All terms and expressions used in the extract below shall have the same
meanings as those defined in the Offer Document, unless otherwise stated.

“8.4 Compulsory acquisition

Pursuant to Section 215(1) of the Companies Act, in the event the Offeror receives approval of the Offer within 4 months of the making of the Offer, in respect of not less than 90% of the Offer Shares (excluding any APB Shares held in treasury and other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the APB Shares of the Shareholders who have not accepted the Offer, at a price equal to the Offer Price. In such event, if the Offeror is entitled to do so, it shall exercise any rights of compulsory acquisition at a price equal to the Offer Price that it may have in connection with the Offer.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of APB Shares which, together with APB Shares held by it and its related corporations comprise 90% or more of the APB Shares, Shareholders who have not accepted the Offer would have a right to require the Offeror to acquire their APB Shares at the Offer Price. Shareholders who wish to exercise such a right are advised to seek their own independent legal advice. Unlike Section 215(1) of the Companies Act, the 90% threshold under Section 215(3) of the Companies Act does not exclude APB Shares held by the Offeror, its related corporations or their respective nominees as at the date of the Offer.”

10. FINANCIAL EVALUATION OF THE OFFER

We have confined our evaluation to the financial terms of the Offer. In evaluating the Offer, from a financial point of view, we have performed the following analyses based upon publicly available information and information made available to us by the Company as at the IFA Reference Date:

(i) Historical share price analysis, including a Volume Weighted Average Price analysis, to evaluate how the Offer Price compares to the historical prices of the Shares over different observation periods;

(ii) Historical trading multiples analysis to evaluate how the valuation multiples implied by the Offer Price compare to the historical valuation multiples of the Company over different observation periods;

(iii) Trading comparable analysis to evaluate how the valuation multiples implied by the Offer Price compare with trading multiples of listed comparable companies;

(iv) Precedent transaction analysis to evaluate how the valuation multiples implied by the Offer Price compare with multiples of comparable acquisition transactions; and

(v) Precedent general and partial offer analysis to evaluate how the premia/discounts implied by the Offer Price over the historical share price of the Company compares to the premia/discounts on selected general and partial offer transactions in Singapore.

The evaluation parameters are discussed in greater detail in the ensuing paragraphs.

The figures used in our analysis in this section 10 of this letter have been extracted from Bloomberg, FactSet, the announcements made on SGX-ST, and other relevant publicly available information pertaining to the relevant companies as at the IFA Reference Date. We have not independently verified or ascertained (nor do we assume responsibility for independently verifying or ascertaining) nor make any representation or warranty, express or implied, as to the accuracy or completeness of such information. In the course of our analysis, we have assumed that the share capital of the Company as at the IFA Reference Date comprises 258,233,024 issued Shares excluding treasury shares and that there are no outstanding ABPL Options to subscribe for new Shares under the Option Scheme.

We have also applied the following valuation ratios in our analysis:
<table>
<thead>
<tr>
<th>Valuation ratio</th>
<th>General description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P/E</strong></td>
<td>&quot;P/E&quot; or &quot;price-to-earnings&quot; ratio typically illustrates the ratio of the market capitalization of a company’s shares relative to its earnings attributable to shareholders before exceptional items. Market capitalisation is calculated based on share price multiplied by total ordinary shares outstanding. The P/E ratio may be affected by, <em>inter alia</em>, the capital structure of a company, its tax position as well as its accounting policies relating to revenues recognition, depreciation and intangible assets, amongst others.</td>
</tr>
<tr>
<td><strong>EV/EBITDA</strong></td>
<td>&quot;EV&quot; or &quot;enterprise value&quot; is the sum of a company’s market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents, and it includes its interests in associated companies, joint ventures, and other investments. &quot;EBITDA&quot; stands for earnings before interest, tax, depreciation and amortization expenses and includes share of joint ventures and associated companies’ income but excludes exceptional items. The EV/EBITDA ratio typically illustrates the market value of a company’s business relative to its historical pre-tax operating cash flow performance, without regard to the company's capital structure.</td>
</tr>
<tr>
<td><strong>EV/Revenue</strong></td>
<td>&quot;EV&quot; or &quot;enterprise value&quot; is the sum of a company’s market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents and it includes its interest in associated companies, joint ventures, and other investments. The EV/Revenue ratio typically illustrates the market value of a company’s business relative to its historical revenue, without regard to the company's capital structure.</td>
</tr>
</tbody>
</table>
(a) **Historical Share Price Analysis**

We have compared the Offer Price to the historical prices of the Shares.

We set out below in Chart 1A, the daily closing price and daily trading volume of the Shares for the 12 months prior to and including the Unaffected Share Price Date.

**Chart 1A: Historical share price performance of APB (12 months prior to and including the Unaffected Share Price Date)**

Source: Bloomberg, Announcements released on the SGX-ST

From Chart 1A, we note the following:

(i) In this 12 month period, the Shares traded within a range of S$25.00 and S$35.00 per Share. The Offer Price represents a premium of 112% to 51% to this range; and

(ii) The latest traded share price of APB on 16 July 2012 (the Unaffected Share Price Date) was S$34.69. The Offer Price represents a premium of 53% to this price.

We set out below in Chart 1B, the daily closing price and daily trading volume of the Shares from the Unaffected Share Price Date up to and including the IFA Reference Date.

**Chart 1B: Historical share price performance of APB (Unaffected Share Price Date to IFA Reference Date)**

Source: Bloomberg, Announcements released on the SGX-ST
Key events based on announcements made on and extracted from the SGX-ST:

1) 16 July 2012: OCBC and GEH announcement on, *inter alia*, an approach to purchase their combined stake in APB
OCBC and GEH announcement that they have been approached with an offer to purchase, *inter alia*, their combined stakes in APB (aggregating approximately 7.92% of APB’s total issued shares as at 31 March 2012) and that they were having discussions on this.

2) 20 July 2012: HEINEKEN’s offer for F&NL’s stake in APB
F&NL announced that the Board of Directors of F&NL (the “F&NL Board”) received an offer from HEINEKEN to acquire F&NL’s direct and indirect interests in APB at a price of S$50 per share, for a total consideration of S$5.1 billion. In addition, HEINEKEN had offered S$163 million for F&NL’s interest in non-APB assets held by APIPL, subject to any adjustment for further impairments.

3) 7 August 2012: Kindest Place Groups Limited’s (“KPGL”) offer for F&NL’s direct stake in APB
F&NL announced that it received an unsolicited offer from KPGL to acquire F&NL’s direct interest in APB comprising 18,753,887 shares in APB at a price of S$55 for each APB share.

4) 18 August 2012: Pre-Conditional Mandatory Cash Offer for shares of APB
The Financial Advisers announced, for and on behalf of the Offeror, a wholly-owned subsidiary of HEINEKEN that the Offeror had on 17 August 2012, entered into the F&NL Share Purchase Agreements for the HEINEKEN Proposed Acquisitions. It was also announced that subject to the fulfillment and/or waiver of the condition precedents in the F&NL Sale and Purchase Agreements and in accordance with Rule 14 of the Code, the Offeror is required and intends to, on completion of the HEINEKEN Proposed Acquisitions, make a mandatory general cash offer for all Shares, other than those already owned, controlled or agreed to be acquired by the Offeror and its related corporations. The Offer which will be extended to the Offer Shares, if and when made, will be for S$53 in cash for each Offer Share.

5) 28 September 2012: Extraordinary General Meeting of F&NL
F&NL announced that its shareholders had, at an extraordinary general meeting on 28 September 2012, approved the sale of F&NL’s interests in APB and APIPL and F&NL’s indirect interests in the assets held by APIPL.

6) 6 November 2012: The F&NL/HIBV Proposed Transaction (defined below) approved by Competition Commission of Singapore
F&NL announced that F&NL Board was pleased to inform its shareholders that pursuant to the notification made by HIBV to the Competition Commission of Singapore (the “CCS”) under section 57 of the Competition Act of Singapore, the CCS had on 5 November 2012 granted its clearance that the proposed sale of F&NL’s direct and indirect interests in APB and F&NL’s interests in certain non-APB assets held by APIPL (the “F&NL / HIBV Proposed Transaction”), if carried into effect, would not infringe the Section 54 of the Competition Act of Singapore.

7) 15 November 2012: Completion of F&NL/HIBV Proposed Transaction
F&NL announced that the F&NL/ HIBV Proposed Transaction had completed. HEINEKEN in its press release on 15 November 2012 stated that as a result, HEINEKEN owned in aggregate a 95.3% stake in APB and would consolidate APB into its accounts in November 2012.

8) 15 November 2012: Mandatory Unconditional Cash Offer for shares of APB
The Financial Advisers announced, for and on behalf of the Offeror, that the Offeror had on 15 November 2012 completed the HEINEKEN Proposed Acquisitions and in accordance with Rule 14 of the Code, shall make a mandatory unconditional cash offer for all the ordinary shares in the issued and paid-up capital of APB, other than those already owned, controlled or agreed to be acquired by the Offeror and its related corporations as at 15 November 2012. The offer price will be S$53 for each APB share in cash.

9) 15 November 2012: Financial results for the full year ended 30 September 2012 announced by APB
APB announced a 25% gain in the Group’s profit before interest, tax and exceptional items for the full year ended 30 September 2012. Group revenue for the year increased almost 13% to S$3.35 billion.
From Chart 1B, we note the following:

(a) On 17 July 2012 (being the Market Day immediately after the Unaffected Share Price Date),
the price of the Shares rose to S$37.00 with an aggregate volume of 26,000 Shares traded;

(b) The last traded price on the 16 August 2012, being one Market Day prior to the Pre-
Conditional Offer Announcement Date was S$50.57. The Offer Price represents a 4.8%
premium to this price; and

(c) The last traded price on the IFA Reference Date was S$52.72.

We note that our analysis of the past price performance of the Shares is not indicative of
the future price performance levels of the Shares, including without limitation, following the
close of the Offer. We further wish to highlight that underlying financial data used in our
analysis has been extracted from announcements released on the SGX-ST and Bloomberg
as at the IFA Reference Date. The IFA makes no representations or warranties, express
or implied, on the accuracy or completeness of such information.

(b) Volume-Weighted Average Price ("VWAP") Analysis

We set out below in Chart 2 the premium/(discount) implied by the Offer Price over the volume
weighted average price of the Shares for the 1-day, 1-week, 1-month, 3-month, 6-month, and 12-
month periods prior to and including the Unaffected Share Price Date as well as the 1-day, 1-week,
1-month, 3-month, 6-month and 12 month periods prior to and including 16 August 2012 (being one
Market Day prior to the Pre-Conditional Offer Announcement Date)

Chart 2: Volume-weighted average price analysis for APB prior to relevant announcements
on SGX-ST

<table>
<thead>
<tr>
<th>Reference Period</th>
<th>Against the Unaffected Share Price Date</th>
<th>Premium/ (Discount)</th>
<th>Against the Pre-Conditional Offer Announcement Date</th>
<th>Premium/ (Discount)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer price</td>
<td>53.00</td>
<td></td>
<td>53.00</td>
<td></td>
</tr>
<tr>
<td>1 Market Day before relevant announcement</td>
<td>34.69</td>
<td>52.8%</td>
<td>50.55</td>
<td>4.8%</td>
</tr>
<tr>
<td>1 week before relevant announcement</td>
<td>34.55</td>
<td>53.4%</td>
<td>49.98</td>
<td>6.0%</td>
</tr>
<tr>
<td>1 month before relevant announcement</td>
<td>34.51</td>
<td>53.6%</td>
<td>49.94</td>
<td>6.1%</td>
</tr>
<tr>
<td>3 months before relevant announcement</td>
<td>34.16</td>
<td>55.2%</td>
<td>49.86</td>
<td>6.3%</td>
</tr>
<tr>
<td>6 months before relevant announcement</td>
<td>32.23</td>
<td>64.4%</td>
<td>49.73</td>
<td>6.6%</td>
</tr>
<tr>
<td>12 months before relevant announcement</td>
<td>28.58</td>
<td>85.5%</td>
<td>48.98</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

Source: Bloomberg, Announcements released by APB on the SGX-ST

From Chart 2, we note the following:

(i) The Offer Price represents a premium of approximately 53.4%, 53.6%, 55.2%, 64.4% and
85.5% over the volume-weighted average price of the Shares in the aforesaid 1-week, 1-
month, 3-month, 6-month and 12-month periods prior to and including the Unaffected
Share Price Date respectively;

(ii) The Offer Price represents a premium of approximately 6.0%, 6.1%, 6.3%, 6.6% and 8.2%
over the volume-weighted average price of the Shares in the aforesaid 1-week, 1-
month, 3-month, 6-month and 12-month periods prior to and including 16 August 2012
(being one Market Day prior to the Pre-Conditional Offer Announcement Date); and

(iii) The Offer Price represents a premium of approximately 52.8% to the volume weighted
average price of S$34.69 on 16 July 2012, the Unaffected Share Price Date and represents
a premium of approximately 4.8% to the volume-weighted average share price of S$50.55
on 16 August 2012, one Market Day prior to the Pre-Conditional Offer Announcement
Date.

We note that there is no assurance that the price of the Shares will remain at current levels
after the close or lapse of the Offer. In addition, we note that our analysis of the past price
performance of the Shares is not indicative of the future price performance levels of the
Shares, including without limitation, following the close of the Offer.
We further wish to highlight that underlying financial data used in our analysis has been extracted from announcements released by APB on the SGX-ST and Bloomberg as at the IFA Reference Date. The IFA makes no representations or warranties, express or implied, on the accuracy or completeness of such information.

(c) Historical Multiple Analysis

We set out below the historical trading multiples of the Shares. Historical trading multiples relate to how the Company is valued by the stock market, but are subject to market efficiency and rationality, and are susceptible to, *inter alia*, investor sentiment, liquidity, and market speculation.

We set out below in Chart 3 the Company’s EV/EBITDA and P/E (based on its trailing 12-month EBITDA and earnings respectively for the applicable time periods), over the last twelve months prior to and including the Unaffected Share Price Date.

**Chart 3: Historical Multiples Analysis for 12-month period prior to and including the Unaffected Share Price Date**

<table>
<thead>
<tr>
<th>EV/EBITDA</th>
<th>P/E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mean:</strong> 10.9x</td>
<td><strong>Mean:</strong> 23.1x</td>
</tr>
<tr>
<td><strong>Minimum:</strong> 9.8x</td>
<td><strong>Minimum:</strong> 21.0x</td>
</tr>
<tr>
<td><strong>Maximum:</strong> 12.3x</td>
<td><strong>Maximum:</strong> 26.4x</td>
</tr>
</tbody>
</table>
With regards to the implied EV/EBITDA and P/E ratios for the Offer Price, we note the following:

(i) The Offer Price implies an EV/EBITDA multiple of 16.5x and a P/E multiple of 34.7x using Last Twelve Months ("LTM") financials as at 30 September 2012 (the quarter preceding the Offer Announcement Date);

(ii) The LTM EV/EBITDA and LTM P/E multiples for APB range from 9.8x to 12.3x and 21.0x to 26.4x respectively over the 12 months prior to and including the Unaffected Share Price Date;

(iii) The Offer Price represents a premium to both the mean and maximum of APB’s LTM EV/EBITDA multiples of 10.9x and 12.3x respectively for the 12 months prior to and including the Unaffected Share Price Date; and

(iv) The Offer Price represents a premium to both the mean and maximum of APB’s LTM P/E multiples of 23.1x and 26.4x respectively for the 12 months prior to and including the Unaffected Share Price Date.

We note that our analysis of the past price performance of the Shares is not indicative of the future price performance levels of the Shares, including without limitation, following the close of the Offer.

We wish to highlight that underlying financial data used to calculate the multiples in our analysis has been extracted from the quarterly and full-year financial statements of APB and Bloomberg as at the IFA Reference Date. The IFA makes no representations or warranties, express or implied, on the accuracy or completeness of such information.

We further wish to highlight that our evaluation of APB’s historical price performance and valuation multiples set out in Sections 10(a) to (c) should be considered in the light of low liquidity levels that have characterized APB’s historical share price performance over a period of 12 months up to and including the Unaffected Share Price Date. APB’s average daily trading volume as a percentage of its free float (as at the Unaffected Share Price Date) over the 12-month period prior to and including the Unaffected Share Price Date was approximately 0.016%, with an average daily trading volume of approximately 7,590 Shares each Market Day over the same 12-month period.

(1) The median and mean of the average daily trading volume as a percentage of free float (as of the Unaffected Share Price Date) over the 12-month period prior to and including the Unaffected Share Price Date for the top 15 SGX-ST listed companies by market capitalisation are approximately 0.30% and 0.31% respectively. (Source: Bloomberg)
Trading Comparable Analysis

We have also examined certain beer companies in certain markets in Asia, such as Thailand, Malaysia, and China as trading comparables for the Company. The companies selected as trading comparables in the list below are a sample of companies which derive significant proportion of their revenues from the production, brewing, distribution, and sale of beer in South East Asia or China ("Beer Companies"). We have excluded from our analysis similar companies in developed beer markets in Asia such as Japan and Korea.

We have considered the following metrics for the Beer Companies with respect to multiples implied by the Offer Price:

- Price/Earnings (P/E)
- Enterprise Value/Revenue (EV/Revenue)
- Enterprise Value/Earnings before interest, tax, depreciation and amortization (EV/EBITDA)

The following is a brief description of the Beer Companies we have reviewed for our analysis:

**Brief Description of Beer Companies**

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
<th>Market Capitalisation (S$m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Breweries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thai Beverage PCL</td>
<td>Leading alcoholic beverage producer in Thailand, operates in four main business segments: spirits, beer, non-alcohol beverages and food. Spirits and beer represented 64% and 25% of revenues respectively in its 2011 financial year. Listed in Singapore and 45.3% owned by Sirwana Co., Ltd which is controlled by Thai Charoen Corporation Group.</td>
<td>9,793</td>
</tr>
<tr>
<td>Guinness Anchor Bhd</td>
<td>Engaged in the production, packaging, marketing and distribution of alcoholic and non-alcoholic beverages primarily in Malaysia. Offers various beer brands such as Tiger, GUINNESS, HEINEKEN, Anchor, and Sol, as well as shandy under the Anglia Shandy brand, non-alcoholic malt drinks under the Malta brand and ciders under the Strongbow brand. Listed in Malaysia and a 51.0% owned subsidiary of G爱国itch Pte Ltd, a subsidiary of Diageo plc.</td>
<td>2,020</td>
</tr>
<tr>
<td>Carlsberg Brewery Malaysia Bhd</td>
<td>Engaged in the production, marketing, import, distribution and sale of beer, stout, shandy, wines, spirits and non-alcoholic beverages primarily in Malaysia as well as exports to Singapore, Hong Kong and Taiwan. Offers products primarily under various brands including Carlsberg, Danish Royal Stout, SKOL, Asahi Super Dry, Corona Extra, Hoegaarden, Stella Artois, Budweiser, Foster’s, Leffe, Beck’s and Lion. Listed in Malaysia and a 50.6% owned subsidiary of Carlsberg A/S.</td>
<td>1,586</td>
</tr>
<tr>
<td>China Breweries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China Resources Enterprise Ltd.</td>
<td>An investment holding company engaged in beer, retail, soft drinks and food products. Beer represented 24.2% of revenues in 2011. Beer operations are operated through China Resources Snow, a 51% owned joint venture with SABMiller plc. Listed in Hong Kong and 51.4% owned by Chinese state owned enterprise China Resources Holdings.</td>
<td>10,810</td>
</tr>
<tr>
<td>Tsingtao Brewery Co. Ltd.</td>
<td>Primarily engaged in the production, distribution and sale of beer products in China. Sells its beer products primarily under the Tsingtao Beer brand name and also exports beer to approximately 70 countries. Listed in Hong Kong and Shanghai.</td>
<td>8,571</td>
</tr>
<tr>
<td>Beijing Yanjing Brewery Co. Ltd.</td>
<td>Engaged in the brewing, production and sale of beer under the Yanjing brand name in China. Also offers beverages such as soft drinks. Listed in Shenzhen.</td>
<td>2,559</td>
</tr>
</tbody>
</table>

Source: Financial statements and annual reports of the above-mentioned companies, Bloomberg.

(1) Market capitalization is calculated based on share price from Factset as at IFA Reference Date multiplied by total ordinary shares outstanding of the relevant company and foreign exchange conversion rates derived from Factset as at IFA Reference Date.
The valuation ratios of the Beer Companies set out below in Chart 4 are based on their closing price as at the IFA Reference Date.

### Chart 4: Beer Companies trading comparable analysis

<table>
<thead>
<tr>
<th>Company</th>
<th>Stock price Lcl currency</th>
<th>Market cap Lcl currency</th>
<th>Enterprise value S$m</th>
<th>Revenue (S$m)</th>
<th>EV / LTM (x)</th>
<th>LTM P/E (x)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Southeast Asia Breweries</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thai Beverage PCL (4)</td>
<td>S$ 0.39</td>
<td>9,793</td>
<td>14,146</td>
<td>2.2x</td>
<td>12.8x</td>
<td>15.6x</td>
</tr>
<tr>
<td>Guinness Anchor Bhd (5)</td>
<td>MYR 16.68</td>
<td>5,039</td>
<td>20,020</td>
<td>3.2x</td>
<td>15.8x</td>
<td>23.6x</td>
</tr>
<tr>
<td>Carlsberg Brewery Malaysia Bhd (6)</td>
<td>MYR 12.94</td>
<td>3,956</td>
<td>1,593</td>
<td>2.5x</td>
<td>15.5x</td>
<td>21.4x</td>
</tr>
<tr>
<td><strong>China Breweries</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China Resources Enterprise, Limited (7)</td>
<td>HKD 28.65</td>
<td>68,731</td>
<td>12,537</td>
<td>0.7x</td>
<td>10.7x</td>
<td>20.0x</td>
</tr>
<tr>
<td>Tsingtao Brewery Co. Ltd (8)</td>
<td>CNY 43.10</td>
<td>54,493</td>
<td>7,306</td>
<td>1.5x</td>
<td>13.0x</td>
<td>24.6x</td>
</tr>
<tr>
<td>Beijing Yanjing Brewery Co. Ltd (9)</td>
<td>CNY 5.18</td>
<td>13,067</td>
<td>3,221</td>
<td>1.3x</td>
<td>9.0x</td>
<td>17.4x</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.9x</td>
<td>12.8x</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.9x</td>
<td>12.9x</td>
</tr>
</tbody>
</table>

**Source:** Bloomberg, FactSet and financial statements and annual reports of the above-mentioned companies.

(1) Market capitalisation is calculated based on share price from Factset as at IFA Reference Date multiplied by total ordinary shares outstanding of the relevant company and foreign exchange conversion rates derived from Factset as at IFA Reference Date.

(2) Exchange rates used are the exchange rates derived from Factset as at the IFA Reference Date: MYR/S$ is 2.50; CNY/S$ is 5.10; HKD/S$ is 6.36; HKD/CNY is 1.24. MYR means Malaysian Ringgit, the lawful currency of Malaysia. CNY means Chinese Yuan, the lawful currency of the People’s Republic of China, and HKD means Hong Kong Dollar, the lawful currency of Hong Kong SAR.

(3) Enterprise value is calculated as market capitalization + preferred equity + net debt + minority interest.

(4) Financial information reflects data for the last twelve months ended 30 September 2012. Net income figures have been adjusted for net loss from the floods and 30.0% Thai corporate tax rate has been applied to net income adjustments for Thai Beverage PCL’s fiscal year 2011.

(5) Financial information reflects data for the last twelve months ended 30 September 2012. EBITDA and net income figures have been adjusted for restructuring of distribution channel expenses and 25.0% Malaysia corporate tax rate has been applied to net income adjustments for Guinness Anchor Bhd’s Fiscal Year 2012.

(6) Financial information reflects data for the last twelve months ended 30 June 2012. Net income figures have been adjusted for impairment loss on receivables and 25.0% Malaysia corporate tax rate has been applied to net income adjustments for Carlsberg Brewery Malaysia Bhd’s Fiscal Year 2011.

(7) Financial information reflects data for the last twelve months ended 30 June 2012. EBITDA excludes valuation gain on investment properties.

(8) S$ market capitalisation for Tsingtao Brewery Co. Ltd is based on number of RMB-denominated ordinary shares and Hong Kong-listed shares multiplied by the respective share price and the respective foreign exchange rates. Local currency market capitalisation shown in the above table is expressed in HKD applying the HKD/CNY exchange rate derived from Factset. Financial information reflects data for the last twelve months ended 30 June 2012. Net income figures have been adjusted for losses on disposal of intangible assets and 25.0% China corporate tax rate has been applied to net income adjustments for Tsingtao Brewery Co Ltd’s Fiscal Year 2011.

(9) Financial information reflects data for the last twelve months ended 30 June 2012. Net income figures have been adjusted for gain on disposal of intangible assets and 25.0% China corporate tax rate has been applied to net income adjustments for Beijing Yanjing Brewery Co. Ltd’s Fiscal Year 2011.

(10) Enterprise value based on offer price of S$53 per share for 100% of the share capital of APB adjusted for net debt and minority interests as at 30 September 2012. Other financial information reflects data for the last twelve months ended 30 September 2012 and excludes exceptional items.

As set out in Chart 4, we observe that:

(i) The LTM P/E multiple implied by the Offer Price is at a premium to both the mean and the median LTM P/E multiples of the Beer Companies and at a premium to the LTM P/E multiples of each of the Beer Companies;

(ii) The LTM EV/Revenue multiple implied by the Offer Price is at a premium to both the mean and the median LTM EV/Revenue multiples of the Beer Companies and at a premium to the LTM EV/Revenue multiples of each of the Beer Companies; and

(iii) The LTM EV/EBITDA multiple implied by the Offer Price is at a premium to both the mean and the median LTM EV/EBITDA multiples of the Beer Companies and at a premium to LTM EV/EBITDA multiples of each of the Beer Companies.

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UBS 17
We wish to highlight that the Beer Companies are not exhaustive and they differ from APB in terms of, \textit{inter alia}, market capitalization, size of operations, composition of business activities, product mix, target customer segments, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, tax rates, future prospects and other relevant criteria. Accordingly, the above comparison with the Beer Companies is for illustrative purposes only and they may not be directly comparable with APB.

Further, we wish to highlight that there may be premia embedded in the prices offered in transactions which result in an acquirer gaining a controlling stake in a target company ("Change in Control Premium"). It is therefore possible that there may have been a Change in Control Premium embedded within the Offer Price as a result of the HEINEKEN Proposed Acquisitions. Accordingly, any comparison made between the multiples implied by the Offer Price and the trading multiples of the Selected Beer Companies merely serves only as an illustrative guide.

We further wish to highlight that underlying financial data used to calculate the valuation ratios in our analysis have been extracted from Bloomberg, Factset, published financial statements and annual reports of the Beer Companies as at the IFA Reference Date. The IFA makes no representations or warranties, express or implied, on the accuracy or completeness of such information.

(e) Precedent transactions analysis

We have reviewed certain transactions involving acquisitions of equity interests in companies which derive significant proportion of their revenues from the production, brewing, distribution, and sale of beer in emerging markets ("Selected Precedent Transactions"). In our analysis, we have considered transactions in Asia such as in China, Indonesia and the Philippines, in the last five years with a transaction value in excess of US$200 million. We have excluded transactions where financial information to calculate valuation ratios is not available in the public domain. In addition, in view of the relatively limited number of transactions with a transaction value in excess of US$200 million in Asia over the past five years, we have also considered transactions in other emerging markets in countries such as Brazil, Central and Eastern Europe, Mexico, Russia and Ukraine, over the last five years. We have conducted our valuation analysis on the basis of P/E, EV/Revenue and EV/EBITDA multiples as the key parameters for comparison with the multiples implied by the Offer Price.

The Selected Precedent Transactions include transactions that resulted in a change of control with the exception of those not marked with an asterisk (*) below. Below are brief profiles of the transactions and companies selected for our analysis.

<table>
<thead>
<tr>
<th>Description of Selected Precedent Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target</strong></td>
</tr>
<tr>
<td>4 Apr 2011 Kingway Brewery Holdings Ltd</td>
</tr>
<tr>
<td>7 Dec 2009 PT Multi Bintang Indonesia Tbk*</td>
</tr>
<tr>
<td>20 Feb 2009 San Miguel Brewery Inc.</td>
</tr>
<tr>
<td>Date</td>
</tr>
<tr>
<td>------------</td>
</tr>
<tr>
<td>23 Jan 2009</td>
</tr>
<tr>
<td>29 Jun 2012</td>
</tr>
<tr>
<td>3 Apr 2012</td>
</tr>
<tr>
<td>19 Oct 2011</td>
</tr>
<tr>
<td>2 Aug 2011</td>
</tr>
<tr>
<td>30 Mar 2010</td>
</tr>
<tr>
<td>11 Jan 2010</td>
</tr>
</tbody>
</table>

Source: Published financial statements, announcements, and annual reports of the above-mentioned companies.
Note: Transactions marked with asterisks indicate change of control transactions.

Chart 5 below shows the implied multiples of the Selected Precedent Transactions.
Chart 5: Selected Precedent Transactions(1)

<table>
<thead>
<tr>
<th>Announced Bidder</th>
<th>Target</th>
<th>Note</th>
<th>Country</th>
<th>Stake Acquired</th>
<th>Post-acquisition Stake</th>
<th>Implied EV $m</th>
<th>EV / LTM</th>
<th>LTM EV / P/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>06-Apr-11</td>
<td>GDB Ltd</td>
<td>Grupo Modelo</td>
<td>Mexico</td>
<td>64.7%</td>
<td>100.0%</td>
<td>47,797</td>
<td>5.4x</td>
<td>18.0x</td>
</tr>
<tr>
<td>03-Apr-12</td>
<td>Molson Coors Brewing Company</td>
<td>Starbev L.P.</td>
<td>CEE</td>
<td>100.0%</td>
<td>100.0%</td>
<td>4,429</td>
<td>3.7x</td>
<td>11.0x</td>
</tr>
<tr>
<td>02-Aug-11</td>
<td>Kirin Holdings Co. Ltd.</td>
<td>Schinacel</td>
<td>Brazil</td>
<td>50.5%</td>
<td>50.5%</td>
<td>6,662</td>
<td>2.9x</td>
<td>15.7x</td>
</tr>
<tr>
<td>19-Oct-11</td>
<td>Anadolu Efes</td>
<td>SABMiller plc’s Russian and Ukrainian business</td>
<td>Russia &amp; Ukraine</td>
<td>100.0%</td>
<td>100.0%</td>
<td>2,402</td>
<td>2.8x</td>
<td>12.8x</td>
</tr>
<tr>
<td>30-Mar-10</td>
<td>Anadolu Efes</td>
<td>Efes Breweries International</td>
<td>CEE</td>
<td>26.5%</td>
<td>100.0%</td>
<td>1,705</td>
<td>1.4x</td>
<td>7.6x</td>
</tr>
<tr>
<td>11-Jan-10</td>
<td>Heineken N.V.</td>
<td>FEMSA Cerveza</td>
<td>Mexico</td>
<td>100.0%</td>
<td>100.0%</td>
<td>9,985</td>
<td>2.1x</td>
<td>11.2x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall</th>
<th>Mean</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>EV / LTM</td>
<td>2.7x</td>
<td>13.9x</td>
</tr>
<tr>
<td>LTM EV / P/E</td>
<td>26.6x</td>
<td>24.7x</td>
</tr>
<tr>
<td>Mean</td>
<td>2.7x</td>
<td>13.9x</td>
</tr>
<tr>
<td>Median</td>
<td>2.8x</td>
<td>32.9x</td>
</tr>
</tbody>
</table>

Source: Bloomberg, FactSet, Announcements released by and published financial statements and annual reports of the above-mentioned companies.

(1) Based on prevailing exchange rates sourced from FactSet as at the respective announcement dates.

(2) Financial information for Kingway Brewery Holdings Ltd. as reported in GDH Ltd’s press release dated 4 April 2011. Other financial information reflects data for the last twelve months period ended 31 December 2010. LTM P/E is not meaningful given low earnings of Kingway Brewery Holdings Ltd. Based on Kingway Brewery Holdings Ltd’s 2010 net income; LTM P/E would be 165.1x.

(3) Financial information for PT Multi Bintang Indonesia Tbk as reported in APB’s press release dated 7 December 2009. Other financial information reflects data for the last twelve months for the period ended 30 September 2009.

(4) In January 2009, San Miguel Brewery, Inc acquired from San Miguel Corporation the domestic beer brands and related intellectual property rights and know-how and lands used in the beer operations. As such, LTM EBITDA is based on a forecast 2008 number, adjusted for royalty and property lease fees payable by San Miguel Brewery, Inc to San Miguel Corporation as reported by Kirin Holdings Co. Ltd’s presentation on “Strategic Alliance with San Miguel Brewery, Inc.” dated 20 February 2009. Comparable net income numbers are not available. Based on forecast 2008 results as stated in Kirin’s Holdings Co. Ltd.’s presentation on Strategic Alliance with San Miguel Brewery, Inc. dated 20 February 2009, unadjusted LTM P/E would have been 13.6x.

(5) Financial information for Tsingtao Brewery Co. Ltd. as reported in Asia Pacific Breweries Ltd’s press release dated 23 January 2009. Other financial information reflects data for the last twelve months for the period ended 30 June 2008. LTM net income excludes impairment provision against property, plant and equipment net of assumed tax at 25% statutory tax rate in China.

(6) Enterprise value is based on offer price of US$9.15 per share for all outstanding Grupo Modelo shares Anheuser-Busch InBev did not already own. Minority interests in Dibio owned by Anheuser-Busch InBev valued at implied value based on the offer price of US$9.15 per share. Minority interests in Crown valued at US$1.85bn based on value offered by Constellation Brands for Grupo Modelo stake stated in Anheuser-Busch InBev’s presentation titled “Anheuser-Busch InBev and Grupo Modelo to Combine” dated 29 June 2012. Note that the transaction has been approved and announced by both Anheuser-Busch InBev and Grupo Modelo Boards of Directors but has not yet completed. The transaction is undergoing antitrust reviews and following the necessary approvals, the required transaction steps as well as the tender offer for the shares of Grupo Modelo not owned by Anheuser-Busch InBev will be undertaken.

(7) Financial information for Starbev L.P. as reported by Molson Coors Brewing Company’s presentation on “Molson Coors to acquire StarBev” dated 3 April 2012. Other financial information reflects data for the last twelve months for the period ended December 2011.

(8) Financial information for Schincario Participações e Representações S.A. as reported by Kirin Holdings Co. Ltd’s presentation on “Consolidation of Schincario” dated 2 August 2011. This presentation refers to the first offer made by Kirin Holdings Co Ltd as it subsequently acquired the remaining 49.5% stake in a separate transaction in November 2011. Other financial information reflects data for the last twelve months ended March 2011.

(9) Financial information for SABMiller plc’s Russian and Ukrainian business as reported by Anadolu Efes Biracilik ve Malt Sanayi A.Ş.’s press release dated 19 October 2011. Other financial information reflects data for the last twelve months for the period ended 31 March 2011.

(10) Financial information for Efes Breweries International as reported by Anadolu Efes Biracilik ve Malt Sanayi A.Ş.’s press release dated 30 March 2010. 26.5% stake acquired includes additional 0.55% stake acquired from a squeezeout of remaining minority stakes. Other financial information reflects data for the last twelve months for the period ended 31 December 2009.

(11) LTM EBITDA multiple to June 2009 as stated by HEINEKEN’s presentation titled “Transforming our future in the Americas” dated 11 January 2010. LTM Sales multiple to June 2009 based on sales as reported by FEMSA Cerveza.

(12) Enterprise value based on offer price of S$5 per share for 100% of the share capital of APB adjusted for net debt and minority interests as at 30 September 2012. Other financial information reflects data for the last twelve months ended 30 September 2012 and excludes exceptional items.
As set out in Chart 5, Independent Directors should note that:

(i) The LTM P/E multiple implied by the Offer Price is at a premium to both the mean and median LTM P/E multiples of the Selected Precedent Transactions detailed above;

(ii) The LTM EV/Revenue multiple implied by the Offer Price is at a premium to both the mean and median LTM EV/Revenue multiples of the Selected Precedent Transactions detailed above; and

(iii) The LTM EV/EBITDA multiple implied by the Offer Price is at a premium to both the mean and median LTM EV/EBITDA multiples of the Selected Precedent Transactions detailed above.

The Selected Precedent Transactions are provided for illustrative purposes only. The Selected Precedent Transactions and the acquired companies may not be directly comparable with the Offer and the Company and may vary with respect to, amongst other factors: size of operations, composition of business activities, geographical spread, track record, financial performance, operating and financial leverage, risk profile, accounting policies, tax rates, future prospects and other relevant criteria. Accordingly, the Selected Precedent Transactions may not provide a meaningful basis for valuation comparison.

We further wish to highlight that underlying financial data used to calculate the valuation ratios in our analysis have been extracted from published financial statements and annual reports of the above-mentioned companies, Bloomberg, and Factset as at the IFA Reference Date. The IFA makes no representations or warranties, express or implied, on the accuracy or completeness of such information.
(f) Precedent general and partial offer analysis

We have reviewed selected general and partial offer transactions (excluding schemes of arrangement and voluntary delistings) in Singapore and have set out in Chart 6 the premia/discounts implied by the various offer prices compared to the respective closing prices of the respective targets for the 1-day, 1-month, 3-month and 6-month periods prior to the respective offer announcements dates. We have selected completed transactions announced since January 2007 up to the IFA Reference Date.

Chart 6: Singapore Precedent General and Partial Offer Analysis

<table>
<thead>
<tr>
<th>Date</th>
<th>Announced Target Company</th>
<th>Acquirer</th>
<th>Closing one day</th>
<th>1 month</th>
<th>3 month</th>
<th>6 month</th>
</tr>
</thead>
<tbody>
<tr>
<td>27-Aug-12</td>
<td>Sakari Resources Ltd</td>
<td>PTT Mining Ltd</td>
<td>28%</td>
<td>34%</td>
<td>39%</td>
<td>23%</td>
</tr>
<tr>
<td>10-May-12</td>
<td>Wing Tai Holdings Ltd</td>
<td>Ascend Capital Ltd</td>
<td>18%</td>
<td>14%</td>
<td>10%</td>
<td>22%</td>
</tr>
<tr>
<td>28-Dec-11</td>
<td>SMB United Ltd</td>
<td>Osaka Electric Co Ltd</td>
<td>46%</td>
<td>46%</td>
<td>52%</td>
<td>54%</td>
</tr>
<tr>
<td>7-Oct-11</td>
<td>Heng Long International Ltd</td>
<td>HLI Holding Pte Ltd</td>
<td>77%</td>
<td>99%</td>
<td>107%</td>
<td>105%</td>
</tr>
<tr>
<td>23-Aug-11</td>
<td>Asia Environment Holdings Ltd</td>
<td>Ciena Enterprises Ltd</td>
<td>33%</td>
<td>24%</td>
<td>21%</td>
<td>24%</td>
</tr>
<tr>
<td>1-Aug-11</td>
<td>C &amp; O Pharmaceutical Technology (Holdings) Ltd</td>
<td>Shionog &amp; Co Ltd</td>
<td>11%</td>
<td>17%</td>
<td>20%</td>
<td>23%</td>
</tr>
<tr>
<td>13-Jul-11</td>
<td>Portek International Ltd</td>
<td>Mitsui &amp; Co Ltd</td>
<td>97%</td>
<td>97%</td>
<td>123%</td>
<td>136%</td>
</tr>
<tr>
<td>23-May-11</td>
<td>Allgreen Properties Ltd</td>
<td>Brookvale Investments Pte Ltd</td>
<td>39%</td>
<td>41%</td>
<td>45%</td>
<td>43%</td>
</tr>
<tr>
<td>6-Jan-11</td>
<td>Kim Eng Holdings Limited</td>
<td>Malayan Banking Berhad</td>
<td>56%</td>
<td>63%</td>
<td>68%</td>
<td>79%</td>
</tr>
<tr>
<td>25-Oct-10</td>
<td>Thomson Medical Centre Ltd</td>
<td>Sasteria Pte Ltd</td>
<td>62%</td>
<td>72%</td>
<td>90%</td>
<td>106%</td>
</tr>
<tr>
<td>16-Aug-10</td>
<td>Pine Agtech Ltd</td>
<td>Link Crest Ltd</td>
<td>11%</td>
<td>7%</td>
<td>19%</td>
<td>50%</td>
</tr>
<tr>
<td>27-May-10</td>
<td>Parkway Holdings Ltd</td>
<td>Integrated Healthcare Holdings Ltd</td>
<td>31%</td>
<td>20%</td>
<td>23%</td>
<td>29%</td>
</tr>
<tr>
<td>15-Dec-09</td>
<td>Furama Limited</td>
<td>Samta Hotels Pte Ltd</td>
<td>37%</td>
<td>38%</td>
<td>43%</td>
<td>50%</td>
</tr>
<tr>
<td>24-Aug-09</td>
<td>Shuan Pharmaceutical Holdings Group Ltd</td>
<td>China Pharma Ltd</td>
<td>28%</td>
<td>24%</td>
<td>33%</td>
<td>36%</td>
</tr>
<tr>
<td>24-May-09</td>
<td>Singapore Petroleum Co Ltd</td>
<td>Petrochina International (Singapore) Pte Ltd</td>
<td>25%</td>
<td>52%</td>
<td>90%</td>
<td>121%</td>
</tr>
<tr>
<td>19-Sep-08</td>
<td>King's Safetywear Ltd</td>
<td>Singapore Airport Terminal Services Ltd</td>
<td>25%</td>
<td>25%</td>
<td>24%</td>
<td>21%</td>
</tr>
<tr>
<td>10-Jul-08</td>
<td>GMG Global</td>
<td>Safe Step Group Ltd</td>
<td>14%</td>
<td>13%</td>
<td>16%</td>
<td>24%</td>
</tr>
<tr>
<td>10-Jun-08</td>
<td>SNP Corporation Ltd</td>
<td>Sinochem International (Overseas) Pte Ltd</td>
<td>49%</td>
<td>58%</td>
<td>64%</td>
<td>74%</td>
</tr>
<tr>
<td>8-Jan-08</td>
<td>Robinson &amp; Co</td>
<td>Toppan Printing Co Ltd</td>
<td>8%</td>
<td>15%</td>
<td>22%</td>
<td>25%</td>
</tr>
<tr>
<td>8-Jan-08</td>
<td>Ascott Group</td>
<td>ALF Global Pte Ltd</td>
<td>61%</td>
<td>64%</td>
<td>60%</td>
<td>55%</td>
</tr>
<tr>
<td>6-Jan-08</td>
<td>The Straits Trading Company</td>
<td>Somernet Capital Pte Ltd</td>
<td>43%</td>
<td>40%</td>
<td>19%</td>
<td>10%</td>
</tr>
<tr>
<td>7-Dec-07</td>
<td>Sincere Watch Ltd</td>
<td>The Cairns Pte Ltd</td>
<td>35%</td>
<td>30%</td>
<td>35%</td>
<td>42%</td>
</tr>
<tr>
<td>29-Oct-07</td>
<td>Labroy Marine Ltd</td>
<td>A-A United Ltd</td>
<td>11%</td>
<td>19%</td>
<td>30%</td>
<td>36%</td>
</tr>
<tr>
<td>13-Jun-07</td>
<td>Sembawang Kimtrans Ltd</td>
<td>Dubai Drydocks World LLC</td>
<td>3%</td>
<td>9%</td>
<td>20%</td>
<td>18%</td>
</tr>
<tr>
<td>25-Aug-07</td>
<td>Pan-United Marine Ltd</td>
<td>Toll Express (Asia) Pte Ltd</td>
<td>13%</td>
<td>14%</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>22-May-07</td>
<td>Amtek Engineering Ltd</td>
<td>Dubai Drydocks World LLC</td>
<td>3%</td>
<td>14%</td>
<td>22%</td>
<td>33%</td>
</tr>
<tr>
<td>8-Jan-07</td>
<td>Guthrie GT5</td>
<td>Metcomp Co (Singapore) Pte Ltd</td>
<td>41%</td>
<td>51%</td>
<td>59%</td>
<td>66%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Alam Indah Bintan</td>
<td>4%</td>
<td>23%</td>
<td>29%</td>
<td>47%</td>
</tr>
<tr>
<td>MEAN</td>
<td></td>
<td></td>
<td>32%</td>
<td>37%</td>
<td>43%</td>
<td>49%</td>
</tr>
</tbody>
</table>

Source: Bloomberg, announcements released by the relevant company on the SGX-ST, offer documents and offeree circulars issued to shareholders and released on the SGX-ST

Notes:
(1) On 27 August 2012, PTT Mining Limited (“PTT”) announced a mandatory unconditional cash offer for Sakari Resources Limited (“Sakari”) to acquire all the ordinary shares in the issued and paid up capital of Sakari other than the shares already owned, controlled or agreed to be acquired by PTT. The premia in the table above was calculated with reference to 24 August 2012, being the last trading day prior to the offer announcement date on 27 August 2012.

(2) Premia is calculated off the last transacted price instead of the VWAP as at the trading day prior to the relevant offer announcement date.

(3) On 10 May 2012, Ascend Capital Limited announced a voluntary conditional partial cash offer to acquire 15% of the ordinary shares in the issued and paid up capital of Wing Tai Holdings Limited (“Wing Tai”), other than the shares held in treasury and those already owned, controlled or agreed to be acquired by the offeror. The premia in the table above was calculated with reference to 9 May 2012, being the last trading day prior to the offer announcement date on 10 May 2012.
(4) On 31 October 2011, Profit Sea Holdings Limited ("PSHL"), an indirect wholly owned subsidiary of Boer Power Holdings Limited, announced a voluntary conditional cash offer ("Boer Offer") to acquire all the issued and fully paid up shares of SMB United Limited other than those already owned, controlled or agreed to be acquired by PSHL at an offer price of S$0.32 in cash for each share. The premia in the table above was calculated with reference to 28 October 2011, being the last trading day prior to the offer announcement date on 31 October 2012. As at 31 October 2012, the Boer Offer had not become unconditional in accordance with its terms.

(5) On 6 May 2011, Heng Long International Ltd ("Heng Long") issued a holding announcement on SGXNET in relation to a possible transaction involving its shares or assets. The premia in the table above was calculated with reference to 5 May 2011, being the last trading day prior to the holding announcement date on 6 May 2011.

(6) On 23 August 2011, Ciena Enterprises Limited ("Ciena") announced a voluntary conditional offer to acquire all the issued and fully paid up shares of Asia Environment Holdings Ltd other than those already owned, controlled or agreed to be acquired by Ciena at an offer price of S$0.30 in cash or 1 new ordinary share in Ciena for each offer share. The premia in the table above was calculated with reference to 18 August 2011, being the last trading day prior to the offer announcement date on 23 August 2011.

(7) On 1 August 2011, Shionogi & Co Ltd ("Shionogi") announced that it had entered into a conditional sale and purchase agreement with Leo Star Development Limited ("Leo Star") and Mr Gao Bin to acquire, in two tranches, 153,863,000 shares and 440,000 shares, representing in aggregate approximately 24.17% of the issued shares of C&O Pharmaceutical Technology (Holdings) Limited as at 1 August 2011, from Leo Star and Mr Gao Bin, respectively. The premia in the table above was calculated with reference to 28 July 2011, being the last trading day prior to the possible offer announcement date on 1 August 2011.

(8) On 1 June 2011, ICTSI Far East Pte Ltd ("ICTSI") announced a voluntary conditional cash offer of S$1.20 in cash per share for all the issued and paid-up ordinary shares in the capital of Portek International Ltd ("Portek") other than those owned, controlled or agreed to be acquired by the ICTSI and parties acting in concert with ICTSI. On 13 July 2011 Mitsui & Co ("Mitsui") announced a voluntary conditional cash offer for Portek, with ICTSI subsequently withdrawing its offer on 1 August 2011. The premia in the table above was calculated with reference to 31 May 2011, being the last trading day prior to the offer announcement date on 1 June 2011. Premium calculated is also based on final offer price (of Mitsui) of S$1.40 per share.

(9) On 23 May 2011, Brookvale Investments Pte Ltd ("Brookvale") announced a voluntary conditional cash offer of S$1.60 in cash per share for the shares in the capital of Allgreen Properties Ltd other than those owned, controlled or agreed to be acquired by Brookvale and parties acting in concert with Brookvale. The premia in the table above was calculated with reference to 20 May 2011, being the last trading day prior to the offer announcement date on 23 May 2011.

(10) One-day VWAP used as opposed to one-day closing price.

(11) On 17 December 2010, Kim Eng Holdings Ltd ("Kim Eng") released a holding announcement announcing that it had received approaches from potential interested parties in relation to a possible acquisition of shares in the capital of Kim Eng. The premia in the table above was calculated with reference to 16 December 2010, being the trading day immediately prior to the holding announcement date on the 17 December 2010.

(12) On 29 October 2010, Sasteria Pte Ltd ("Sasteria") announced a voluntary conditional cash offer of S$1.75 in cash per share) for the shares in the capital of Thomson Medical Centre Ltd other than those owned, controlled or agreed to be acquired by the Sasteria and parties acting in concert with Sasteria. The premia in the table above was calculated with reference to 28 October 2010, being the last trading day prior to the offer announcement date on 29 October 2010.

(13) On 16 August 2010, Link Crest Ltd ("Link Crest") announced a conditional cash offer of S$0.20 in cash per share and/or one new ordinary share of S$0.20 each in the capital of State Crest Limited for S$1.40 per share for the shares in the capital of Pine Agritech Ltd other than those owned, controlled or agreed to be acquired by Link Crest and parties acting in concert with Link Crest. The premia in the table above was calculated with reference to 12 August 2010, being the last trading day prior to the offer announcement date on 16 August 2010 (a trading halt as called on 13 August 2010).

(14) On 27 May 2010, Integrated Healthcare Holdings Limited ("IHH") announced a voluntary conditional cash partial offer for 313,000,000 ordinary shares in the capital of Parkway Holdings Ltd. On 26 July 2010, IHH announced the revision of the voluntary conditional cash partial offer to a voluntary conditional cash general offer with a revised offer price of S$3.95 per share. The premia in the table above was calculated with reference to 26 May 2010, being the last trading day prior to the partial offer announcement date on 27 May 2010.

(15) On 15 December 2009, Samta Hotels Pte Ltd ("Samta Hotels") announced a voluntary unconditional cash offer of S$2.00 in cash for the shares in the capital of Furama Ltd other than those owned, controlled or agreed to be acquired by Samta Hotels and parties acting in concert with Samta Hotels. The premia in the table above was calculated with reference to 14 December 2009, being the last trading day prior to the offer announcement date on 15 December 2009.
On 24 August 2009, China Pharma Ltd ("China Pharma") announced a voluntary conditional cash offer of S$0.975 in cash for all the issued and paid up ordinary shares in the capital of Sihuan Pharmaceutical Holdings Group Ltd other than those owned, controlled or agreed to be acquired by China Pharma and parties acting in concert with China Pharma. The premia in the table above was calculated with reference to 21 August 2009, being the last trading day prior to the offer announcement date on 24 August 2009.

On 24 May 2009, a pre-conditional offer for Singapore Petroleum Co Ltd ("Singapore Petroleum") was announced in conjunction with a purchase of a 45.5% stake in Singapore Petroleum. The premia in the table above was calculated with reference to 22 May 2009, being the last trading day prior to the pre-conditional offer announcement date on 24 May 2009, on which the shares of Singapore Petroleum were traded on the SGX-ST.

On 22 October 2008 ("SGX Query Date"), Singapore Food Industries ("SFI") received a query from the SGX-ST regarding a substantial increase in the price of SFI. Premium over VWAP is calculated based on dividend adjusted VWAP. The premia over 1-day closing in the table above was calculated with reference to 21 October 2008, being the last trading day prior to the SGX Query Date. The time reference in calculating the premia over VWAP is the SGX Query Date.

On 19 September 2008, Safe Step Group Ltd ("Safe Step") announced a voluntary conditional cash offer of S$0.438 in cash for all the issued and paid-up ordinary shares in the capital of King's SafetyWear Limited other than those owned, controlled or agreed to be acquired by Safe Step and parties acting in concert with Safe Step. The premia in the table above was calculated with reference to 18 September 2008, being the last trading day prior to the offer announcement date on 19 September 2008.

On 10 July 2008, Sinochem International (Overseas) Pte. Ltd ("Sinochem") announced a voluntary conditional cash partial offer for 51% of the issued and paid-up shares of GMG Global Limited ("GMG Global"). The premia in the table above was calculated with reference to 24 April 2008, being the last trading day prior to an unusual increase in the price and volume of traded shares in GMG Global on 25 April 2008.

On 10 June 2008, SNP Corporation Ltd ("SNP Corporation") announced the voluntary conditional cash offer for all the issued and paid-up shares of Toppan Printing Co Ltd. The premia in the table above was calculated with reference to 9 June 2008, being the last trading day prior to the offer announcement date on 10 June 2008.

On 20 January 2008, ALF Global Private Ltd ("ALF Global") announced a voluntary conditional cash offer for all the issued and paid-up shares of Robinson and Company Limited ("Robinson"). The premia in the table above was calculated with reference to 18 January 2008, being the last trading day prior to the offer announcement date on 20 January 2008. The time reference in calculating the premia over VWAP is the offer announcement date on 20 January 2008. Premia is calculated based on final offer price of S$7.20 per share announced on 3 April 2008.

On 8 January 2008, Somerset Capital Private Ltd (wholly-owned subsidiary of CapitaLand Ltd. ("Somerset Capital") announced an unconditional cash offer for all the issued and paid-up shares of The Ascott Group Limited. The premia in the table above was calculated with reference to 4 January 2008 being the last full market day prior to the offer announcement date on 8 January 2008.

On 6 January 2008, The Cairns Pte Ltd ("The Cairns") announced a voluntary conditional cash offer for the shares in the capital of The Straits Trading Company Limited at a price of S$5.70. Subsequently, The Cairns increased the offer price to S$6.50 on 28 January 2008 and to S$6.70 on 18 February 2008. The market premia in the table above were computed based on the final offer price of S$6.70. The premia in the table above was calculated with reference to the last trading day prior to the offer announcement date on 6 January 2008.

On 7 December 2007, A-A United Limited ("A-A United") announced a voluntary pre-conditional offer for Sincere Watch Ltd ("Sincere Watch"). The offer price for each Sincere Watch share was S$2.051 in cash and 0.228 new share in the capital of Peace Mark (Holdings) Limited (a company listed on Hong Kong Stock Exchange). The offer was equivalent to a total notional value of S$2.564. The premia in the table above was calculated with reference to 6 December 2007, being the last trading day prior to the pre-conditional offer announcement date on 7 December 2007.

On 29 October 2007, Dubai Drydocks World LLC ("Dubai Drydocks") announced a voluntary conditional offer for Labroy Marine Limited. The offer price for each share was S$2.8425 in cash. The premia in the table above was calculated with reference to 26 October 2007, being the last full market day prior to the offer announcement date on 29 October 2007.

VWAP for 1-month calculated as total daily trading value divided by total daily trading volume for the relevant period.

On 13 June 2007, Toll Express (Asia) Pte Ltd ("Toll Express") announced a voluntary general offer for Sembawang Kimtrans Limited at S$0.70 per share. The announcement stated if Toll Express were to acquire more than 90% of shares of the shares not already owned by Toll Express, the offer price would be revised to S$0.80. Premium calculated using S$0.80 as the offer price. The time reference in calculating the premia is 12 June 2007, being the last trading day prior to the offer announcement date on 13 June 2007.
(29) On 28 May 2007, Dubai Drydocks announced a voluntary conditional cash offer for Pan-United Marine at S$2.38 per share. The premia in the table above was calculated with reference to 24 May 2007, being the last trading day prior to the offer announcement date on 28 May 2007.

(30) On 16 April 2007, Amtek Engineering Limited (“Amtek”) announced that certain shareholders have been approached in relation to possible transactions involving their shares. Time reference in calculating the premia is 13 April 2007, being the last trading day prior to the announcement on 16 April 2007.

(31) On 8 January 2007, Alam Indah Bintan Pte Ltd (“Alam Indah Bintan”) announced a voluntary conditional cash offer for the shares in the capital of Guthrie GTS Limited (“Guthrie”) at a price of S$0.395. Subsequently, Alam Indah Bintan increased the offer price to S$0.435 on 5 March 2007. The market premia in the table above were computed with reference to 28 December 2006, being the last full day of trading of the shares in Guthrie prior to the release of a holding announcement released by Guthrie on 29 December 2006 in relation to a possible offer for Guthrie.

(32) On 16 July 2012, F&NL announced after trading hours that OCBC and GEH were approached with an offer to purchase, inter alia, their combined stakes in F&NL and APB. The time reference in calculating the premia is 16 July 2012, the unaffected share price being the last trading day prior to the announcement on 16 July 2012.

(33) On 18 August 2012, HIBV announced that it was making a pre-conditional cash offer at S$53/share for F&NL’s 39.7% stake in APB. The time reference in calculating the premia is 16 August 2012, the last trading day prior to the offer announcement date on 18 August 2012 on which the shares of APB were traded.

We note the following:

(i) The Offer Price represents a premium of approximately 53%, 54%, 55%, and 64% respectively over the VWAP of the Shares in the aforesaid 1-day, 1-month, 3-month and 6-month periods up to and including the Unaffected Share Price Date;

(ii) In comparison, the median premiums of the selected precedent general and partial offers are approximately 29%, 28%, 32%, and 39% respectively over the volume-weighted average price of the relevant shares in the 1-day, 1-month, 3-month, and 6-month periods up to and including their respective Unaffected Share Price Dates; and

(iii) In addition, the mean premiums of the selected precedent general and partial offers are approximately 32%, 37%, 43%, and 49% respectively over the volume-weighted average price of the relevant shares in the 1-day, 1-month, 3-month, and 6-month periods up to and including their respective Unaffected Share Price Dates.

Chart 6 has been compiled based on publicly available information as at the IFA Reference Date. The Independent Directors should note that the level of premium (if any) an acquirer would pay in general offer or partial offer transactions varies in different circumstances depending, amongst other things, on the attractiveness of the underlying business to be acquired, the synergies to be gained from integration with an existing business to be acquired, the possibility of significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company’s shares, the presence of or potential for competing bids for the target company, the form of consideration offered by an acquirer, the extent of control the acquirer already had in the target company and prevailing market conditions and expectations.

The Independent Directors should also note that the above comparison set out in Chart 6 has been made without taking into consideration the relative efficiency of information, the underlying liquidity of the shares of the relevant companies or the performance of the shares of the companies or the quality of earnings prior to the relevant announcement and the market conditions or sentiments when the announcements were made or the desire or relative need for control leading to compulsory acquisition. Moreover, as the Company is not in the same industry and does not conduct the same businesses as the other target companies in Chart 6, it may not, therefore, be directly comparable to the target companies in terms of composition of business activities, product lines, scale of operations, risk profile, geographical spread of activities, client base, accounting policies, track record, prospects and other relevant criteria.

Accordingly, the selected precedent general and partial offers may not provide a meaningful basis for premium comparison and the Independent Directors should note that the above comparison merely serves as an illustrative guide.
11. OTHER CONSIDERATIONS

11.1 Offeror’s Shareholdings
The Offer Document states that as at 26 November 2012, being the latest practicable date prior to the printing of the Offer Document, only 4.7% of the Shares are held in public hands.

11.2 Third Party Proposals
UBS AG, Singapore Branch has been informed by the Directors that, from the Pre-Conditional Offer Announcement Date up to the IFA Reference Date, no alternative offer for the Shares has emerged from a third party. We are also not aware of any publicly available evidence of any such alternative offer for the Shares as at the IFA Reference Date.

11.3 Control of the Company
As at the IFA Reference Date, the Offeror controls more than 50% of the Shares in the Company. This entitles the Offeror to determine, amongst other things, the operating and financial policies, management and strategy of the Group. In addition, there is no assurance that the Company will continue to maintain the level of dividends previously paid regardless of whether the Company remains listed or not.

We note that the Offeror’s intentions in relation to the Company are set out in the Offer Document.

11.4 Listing status of the Company
We note that the Company had announced on 14 August 2012 that the percentage of Shares held in public hands has fallen below 10% on 14 August 2012 and that in view of the Company being in the offer period for the purposes of the Code, the Company had requested the SGX-ST, and the SGX-ST had allowed, for the Shares to continue trading on the SGX-ST, until further notice.

We note that the Company in its announcement dated 8 December 2012 stated that trading in the Shares will be suspended immediately following the close of the Offer and has stated its intentions in relation to its listing status in section 5 of the Circular.

We wish to remind the Independent Directors that all matters relating to the Proposed Delisting and the Proposed Delisting itself, do not fall within the scope of our terms of reference. We also have not considered the implications of the suspension of trading in the Shares on the SGX-ST following the close of the Offer as that does not fall within our scope of reference.

11.5 Material Litigation
The Directors have confirmed that the Group is not engaged in any material litigation, as plaintiff or defendant, which might materially and adversely affect the financial position of the Group, taken as a whole, and the Directors are not aware of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the Group, taken as a whole.

However, the Directors have highlighted in the Circular that the Company has announced on 20 February 2012, 28 February 2012, 30 March 2012, 28 September 2012 and 12 November 2012 that:

(a) Heineken-APB (China) Pte Ltd (“HAPBC”), a 50-50 joint venture between the Company and Asia Pacific Investment Pte Ltd (“APIPL”), the Company and APIPL have been served a summons by Jiangsu Dafuhao Breweries Limited (“DFH”) from The Intermediate People’s Court of Nantong City, Jiangsu Province, People’s Republic of China, which is currently being contested by HAPBC. DFH’s claim is for a court order that HAPBC’s
transfer of its stake in DFH to China Resources Snow Breweries Limited is invalid;

(b) HAPBC has initiated arbitration proceedings at the China International Economic and Trade Arbitration Commission in Beijing, the People’s Republic of China, against Nantong Fuhao Alcohol Industry Co., Ltd. ("NAC"), which is HAPBC’s joint venture partner in DFH, for various breaches of the joint venture agreement between HAPBC and NAC in relation to DFH. On 28 September 2012, the arbitration tribunal has granted an interim award directing that NAC is to cooperate with HAPBC in its conduct of an audit on DFH for the financial years 2010 and 2011. The arbitration proceedings in respect of HAPBC’s other claims against NAC are still on-going.

11.6 Merger Benefit Statements

We note that the Offeror has stated in Section 14 of the Offer Document that the directors of HEINEKEN, the holding company of the Offeror and the Offeror confirmed that the statements made by HEINEKEN, in its media release dated 28 September 2012 (the "Media Release") appended to Appendix 10 of the Offer Document, which are regarded as merger benefit statements under the Code (the "Merger Benefit Statements"), remain valid for the purposes of the Offer.

The IFA has not evaluated the Media Release (including the Merger Benefit Statements and the bases and explanations expressed therein) or the views expressed in the Offer Document in respect of the same; as such evaluation does not fall within the scope of the IFA's scope of reference.

12 CONCLUSION

In arriving at our opinion to the Independent Directors, we have considered the financial information that has been made available to us, and we have taken into consideration, inter alia, the following factors:

(a) The Shares have traded in a band between S$25.00 and S$35.00 over the 12-month period prior to and including the Unaffected Share Price Date i.e. the Offer Price of S$53.00 per share is at a premium of 112% to 51% to this range;

(b) The Offer Price represents a premium of approximately 52.8%, 53.4%, 53.6%, 55.2%, 64.4% and 85.5% respectively over the volume-weighted average price of the Shares in the 1-week, 1-month, 3-month, 6-month and 12-month periods prior to and including the Unaffected Share Price Date;

(c) The implied LTM P/E and EV/EBITDA multiples for the Offer Price are each at a premium to the mean and the median historical multiples of APB over 12 months up to and including the Unaffected Share Price Date;

(d) The implied LTM P/E, EV/EBITDA, and EV/Revenue multiples for the Offer Price are each at a premium to the mean and the median historical multiples of the selected Beer Companies;

(e) The implied LTM P/E, EV/EBITDA, and EV/Revenue multiples for the Offer Price are each at a premium to the mean and the median historical multiples of the Selected Precedent Transactions;

(f) The offer premium resulting from the Offer Price is at a premium to the 1-day, 1-month, 3-month and 6-month mean and median offer premia of selected general and partial offers (excluding schemes of arrangement and voluntary delistings) in Singapore since January 2007;

(g) Based on the information provided by the Directors, the Company has not been approached by any person with an offer competing with the Offer as at the IFA Reference Date;
(h) The Offeror has stated in the Offer Document that the Offer is unconditional in all respects;

(i) The Offeror has stated in the Offer Document that it will not revise the Offer Price;

(j) The Company had announced on 14 August 2012 that the percentage of Shares held in public hands had fallen below 10% on 14 August 2012 and that in view of the Company being in the offer period for the purposes of the Code, the Company had requested the SGX-ST, and the SGX-ST had allowed, for the Shares to continue trading on the SGX-ST, until further notice;

(k) The Offeror has stated in the Offer Document that it is the present intention of the Offeror not to maintain the listing status of the Company. The Offer has been made by the Offeror with a view to delisting the Company and acquiring full control of it. The Offeror has also stated that it does not intend to undertake or to support any action to restore the public float of the Company to the required 10% level under Rule 723 of the Listing Manual; and

(l) The Offer Document states that as at 26 November 2012, being the latest practicable date prior to the printing of the Offer Document, only 4.7% of the Shares are held in public hands.

Based upon, and subject to, the foregoing, we are of the opinion that as at the IFA Reference Date, the Offer Price is fair and reasonable, from a financial point of view.

Subject to the foregoing, we are of the opinion that the Offer Price is not prejudicial to interests of Shareholders from a financial point of view solely on the basis that the Offer Price is fair and reasonable from a financial point of view, and on the assumption without independent verification that the Offer is a Mandatory Takeover Offer made pursuant to and in accordance with Rule 14 of the Code and that pursuant to the Code, (i) the Offer Price is required to be the highest price paid by the Offeror and parties acting in concert with it during the six months preceding the Offer and during the Offer Period (as defined in the Code) and (ii) (save with the consent of the SIC) the Offeror and parties acting in concert with it would be restricted under Rule 33.2 of the Code from making a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Offer within six months from the close of the Offer. We have not considered and do not assume any responsibility to consider any other factors in arriving at this opinion.

In rendering our opinions expressed herein, the Independent Directors should note that we did not have regard to nor took into account any general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any Shareholder or the Shareholders as a whole. As each Shareholder would have different investment objectives and profiles, the Independent Directors may wish to advise any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio to consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

The Independent Directors may wish to advise the Shareholders who wish to realize their investments in the Company that they may wish to consider accepting the Offer if they are unable to obtain a price higher than the Offer Price (after deducting all related expenses) in the open market.

This letter (which for the avoidance of doubt, including the opinions expressed herein) does not constitute and should not be relied on, as a recommendation to, or confer any rights or remedies upon, any Shareholder as to how such person should deal with their Shares in relation to the Offer or any matter related thereto. Nothing herein shall confer or be deemed or is intended to confer any right or benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore shall not apply. The views of and the recommendation made by the Independent Directors to the
Shareholders in relation to the Offer remains the sole responsibility of the Independent Directors.

Our opinions are based on a financial analysis and do not incorporate any assessment of commercial, legal, tax, regulatory or other matters. Our opinions also do not incorporate an assessment of the price at which Shares may trade following the success or failure of the Offer. Such factors (including the aforesaid illustrations) are beyond the ambit of our review and do not fall within our terms of reference in connection with the Offer.

We note that there is no certainty that the Share price will remain at current levels, including without limitation, following the close of the Offer. We also note that there is no certainty on the trading liquidity levels of the Shares. Our opinions do not take into account trading activities or patterns or price levels that may be established for the Shares after the IFA Reference Date. The Independent Directors may wish to advise Shareholders that the trading of the Shares is subject to, amongst other things, the performance and prospects of the Company, prevailing economic conditions, economic outlook, stock market conditions and sentiments.

We wish to emphasize that we have been appointed to render our opinions as at the IFA Reference Date. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Company or the Group. This letter (which for the avoidance of doubt, including the opinions expressed therein) is addressed to the Independent Directors solely for their benefit in connection with and for the purposes of their consideration of the Offer and should not be relied on by any other party or for any other purpose (including without limitation, the Proposed Delisting).

This letter is governed by, and construed in accordance with the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter. No other person may use, reproduce, disseminate or quote this letter (or any part thereof) for any purpose at any time and in any manner except with our prior written consent in each specific case.

Yours faithfully

for and on behalf of

UBS AG, SINGAPORE BRANCH

Keith Magnus  
Chairman & Managing Director  
Head of Singapore and Malaysia  
Investment Banking

Harmeet Singh Bedi  
Managing Director,  
Head of South East Asia  
Corporate Finance and Mergers &  
Acquisitions
GENERAL INFORMATION

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Designation</th>
</tr>
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<tbody>
<tr>
<td>Mr Simon Israel</td>
<td>68 Andrew Road Caldecott Hill Estate</td>
<td>Chairman, Non-Executive and Non-Independent</td>
</tr>
<tr>
<td></td>
<td>Singapore 299974</td>
<td>Director</td>
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<tr>
<td>Mr Roland Pirmez</td>
<td>32 Namly Crescent Shamrock Park</td>
<td>Chief Executive Officer, Executive and</td>
</tr>
<tr>
<td></td>
<td>Singapore 267547</td>
<td>Non-Independent Director</td>
</tr>
<tr>
<td>Mr Pascal De Petrini</td>
<td>29 Swiss Club Road</td>
<td>Non-Executive and Non-Independent Director</td>
</tr>
<tr>
<td></td>
<td>Singapore 288127</td>
<td></td>
</tr>
<tr>
<td>Mr Theo de Rond</td>
<td>23 Swiss Club Road</td>
<td>Non-Executive and Non-Independent Director</td>
</tr>
<tr>
<td></td>
<td>Singapore 288118</td>
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<tr>
<td>Mr Philip Eng Heng Nee</td>
<td>53C Jalan Lim Tai See</td>
<td>Non-Executive and Independent Director</td>
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<td></td>
<td>Singapore 268383</td>
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<tr>
<td>Mr D R Hazelwood</td>
<td>7 Les Bois Dores, 204 Chemin Du Clos De Brasset</td>
<td>Non-Executive and Non-Independent Director</td>
</tr>
<tr>
<td></td>
<td>06560 Valbonne, France</td>
<td></td>
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<tr>
<td>Mr Bob Tan Beng Hai</td>
<td>1 Belmont Road #09-00</td>
<td>Non-Executive and Independent Director</td>
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<td></td>
<td>The Belmont</td>
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<td></td>
<td>Singapore 269852</td>
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<tr>
<td>Mr Kenneth Choo Tay Sian</td>
<td>258A Dunearn Road</td>
<td>Alternate Director to Mr Theo de Rond</td>
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<td></td>
<td>Singapore 299560</td>
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2. BACKGROUND INFORMATION

The Company is a company incorporated in Singapore on 14 April 1931 with its registered office at 438 Alexandra Road #21-00 Alexandra Point, Singapore 119958. Listed on the SGX-ST, the Company is one of the key players in the beer industry. A joint venture between F&NL group of companies and Heineken group, the Company was established as Malayan Breweries Limited ("MBL") in 1931. The Company went on to open its first brewery in Singapore and launched the award-winning “Tiger” beer a year later. Over time, MBL took its business beyond Singapore and added new beer brands to its portfolio of brews. To more accurately reflect the growing regionalisation of its business interests, MBL was renamed Asia Pacific Breweries Limited in 1990. Today, the Company operates an extensive global marketing network, which spreads across 60 countries and is supported by 30 breweries in 14 countries including Singapore, Cambodia, China, Indonesia, Laos, Malaysia, Mongolia, New Caledonia, New Zealand, Papua New Guinea, Solomon Islands, Sri Lanka, Thailand and Vietnam.
3. SHARE CAPITAL

3.1 Issued Shares. As at the Latest Practicable Date, the Company has an issued share capital of S$277,896,870.89 comprising 258,233,024 issued Shares. The Company does not hold any treasury shares. Since the end of the previous financial year, the Company issued 19,250 new Shares as a result of the exercise of APBL Options under the Option Scheme. The Shares are ordinary shares carrying equal ranking rights to dividends, voting at general meetings and return of capital. The Company does not have any other class of share capital as at the Latest Practicable Date. There is no restriction in the Memorandum and Articles of Association of the Company on the right to transfer any Shares, which has the effect of requiring the holders of Offer Shares, before transferring them, to offer them for purchase to members of the Company or to any other person.

3.2 Rights in Respect of Capital, Dividends and Voting. The rights of Shareholders in respect of capital, dividends and voting in relation to the Shares is extracted from the Articles of Association of the Company and reproduced as follows:

(a) Rights in Respect of Capital

"Future issues. 5.* Subject to the Act, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 47 below, and to any special rights attached to any shares for the time being issued, the Directors may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, provided always that:

(i) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the members in a General Meeting;

(ii) no shares shall be issued at a discount except in accordance with the Act;

(iii) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 47 with such adaptations as are necessary shall apply; and

(iv) any other issue of shares, the aggregate of which would in any one financial year of the Company exceed ten per cent. of the issued capital of the Company at the date of such issue, shall be subject to the approval of the Company in General Meeting."

Commissions for placing shares. 7.* The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted provided that the rate or amount of the commissions paid or agreed to be paid shall be disclosed in the manner required by the Act. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issues of shares pay such brokerage as may be lawful.*

* Amended pursuant to the Special Resolution passed on 23rd February 1993.
8. The Company may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and the time for payment of such calls.

9. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalments every such instalment shall when due be paid to the Company by the person who for the time being shall be registered holder of the share.

10. The joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share.

11.* Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.”

39.(a)* There shall be no restriction on the transfer of fully paid up shares (except where required by law) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve,

Provided always that in the event of the Directors refusing to register a transfer of shares, they shall within one month beginning with the day on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Act.

45. The Company in General Meeting may from time to time by special resolution increase the capital by the creation of new shares of such amount as maybe deemed expedient.

46. The new shares shall be issued upon such terms and conditions and at such times with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a special or without any right of voting.

* Amended pursuant to the Special Resolution passed on 23rd February 1993.
When to be offered to existing members.

Subject to any direction to the contrary that may be given by the meeting that sanctions the increase of capital all new shares shall be offered to the Members in proportion to the existing shares of each class then held by them and such offer shall be made by notice specifying the number of shares to which the member of each class is entitled and limiting the time within which the offer if not accepted will be deemed to be declined and after the expiration of such time or on the receipt of an intimation in writing from the member to whom such notice is given that he declines to accept the shares offered, the Directors may allot or otherwise dispose of the same at such time or times in such manner as they think most beneficial to the Company.

New shares subject to same conditions as original capital.

Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to issue the payment of calls and instalments transfer and transmission forfeiture lien and otherwise.

Reduction and consolidation of capital.

The Company may from time to time by special resolution reduce its share capital and any capital redemption reserve fund in any manner and with and subject to any incident authorised and consent required by law. The Company may also by special resolution subdivide or by ordinary resolution consolidate its shares or any of them.

Provisions as to Sub-divisions.

The special resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend capital voting or otherwise over or as compared with the others or other.

(b) Rights in Respect of Dividends

“Formation and objects of reserve fund.

The Directors may, before recommending any dividend, set aside, out of the profits of the Company, such sums as they think proper as a reserve fund to meet contingencies, or for equalising dividends, or for special dividends, or for repairing improving and maintaining any of the property of the Company, and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Company, and may invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit, and from time to time deal with and vary such investments, and dispose of all or any part thereof for the benefit of the Company, and may divide the reserve fund into such special funds as they think fit and employ the reserve fund or any part thereof in the business of the Company, and that without being bound to keep the same separate from the other assets.
Application of profits. 121. The profits of the Company subject to any special rights relating thereto created or authorised to be created by these presents, and subject to the provisions of these presents as to the reserve fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively at the date of the declaration of the dividend.

Payment in advance of calls. 122. Where capital is paid up in advance of calls upon the footing that the same shall carry interest such capital shall not whilst carrying interest confer a right to participate in profits.

Declaration of dividend. 123. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment.

Provisions as to dividend. 124. No larger dividend shall be declared than is recommended by the Directors.

Dividend out of profits. 125. No dividend shall be payable except out of the profits of the Company and no dividend shall carry interest as against the Company.

Directors declaration as to profit. 126. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim dividend. 127. The Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.

Debts may be deducted. 128. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts liabilities or engagements in respect of which the lien exists.

Effect of transfer. 129. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Power to retain dividends. (Article 43) 130. The Directors may retain the dividends payable on shares in respect of which any person is under the Transmission Article entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.

Dividend and call together. 131. Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the call. The making of a call under this Clause shall be deemed ordinary business of an Ordinary General Meeting which declares a dividend.
Dividend by distribution of specific assets. 132. Any General Meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets, and in particular of paid-up shares, debentures, or debenture stock of the Company or of any other Company or in any one or more of such ways.

Capitalising Reserves. 133. Any General Meeting may resolve that any moneys, investments or other assets forming part of undivided profits of the Company standing to the credit of the reserve funds or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the share premium account be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full any unissued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.

Dividends to joint holders. 136. In case several persons are registered as the joint holders of any share any one of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

Payment by post. 137. Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member entitled or in the case of joint holders to the registered address of that one whose name stands first on the register in respect of the joint holding and every cheque so sent shall be payable to the order of the person to whom it is sent.

Unclaimed dividends. 138. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, and all dividends unclaimed for six years after having been declared may by resolution of the Directors be forfeited for the benefit of the Company.”

* Amended pursuant to the Special Resolution passed on 23rd February 1993.
(c) Rights in Respect of Voting

Altering rights of different classes of shares.

52. In the event of a portion of the Company’s issued capital consisting of Preference shares the repayment of such preference capital or any alteration of the rights attaching thereto shall in no case be made unless agreed to by the holders of at least eighty per cent of the issued shares of the class affected. Such repayment of capital, or alteration of rights, must be agreed to by a resolution of the holders (in person or by proxy) of at least eighty per cent of the issued shares of the class at a special meeting of such holders called for the purpose. Provided, however, that in the event of the necessary majority not having been obtained in the matter aforesaid, consent in writing may secured from members holding at least eighty per cent of the issued shares of the class, and such consent, if obtained within two months from the date of the special meeting, shall have the validity of a resolution carried by vote in person or proxy.\(^{(1)}\)

“Directors may call extraordinary meetings.

59.* The Directors may whenever they think fit and they shall on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an Extraordinary General Meeting of the Company and in the case of such requisition the provisions of Section 176 of the Act shall apply.

Notice of meeting Am. 9 Oct 59.

60.(a)* Subject to the provisions of the Act as to Special Resolutions and special notice, at least fourteen days’ notice in writing (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every General Meeting shall be given in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained entitled to receive notice from the Company and at least fourteen days’ notice of such Meeting shall be given by advertisement in the daily press and in writing to any Stock Exchange upon which the Company may be listed. Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

(i) in the case of an Ordinary General Meeting by all the members entitled to attend and vote thereat; and

(ii) in the case of an Extraordinary General Meeting by that number or majority in number of the members having a right to attend and vote thereat as is required by the Act.

\(^{(1)}\) As at the Latest Practicable Date, there are no Preference shares in issue.

* Amended pursuant to the Special Resolution passed on 23rd February 1993.
Quorum. 63.* Four members present in person or by proxy shall form a quorum. Save as is hereafter provided no business shall be transacted at any General Meeting except the election of a chairman unless a quorum be present at the time when the meeting is prepared to proceed to business. For the purposes of this clause a Corporation which is represented at any meeting by one of its officers or any other person (not being himself a member) as its representative shall be deemed to be present at such meeting in person, subject to the provisions of the Act.

How questions decided. 66.* At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll be (before or on the declaration of the result of the show of hands) demanded: -

(a) by the chairman of the Meeting; or

(b) by at least four members present in person or by proxy and entitled to vote thereat; or

(c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the Meeting; or

(d) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the Meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right.

Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the chairman of the Meeting that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn.

Evidence of passing resolution when no poll. 67* In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.

Poll. 68. If a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.

* Amended pursuant to the Special Resolution passed on 23rd February 1993.
Adjournments. 69. The Chairman of a General Meeting may with the consent of the meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

When poll not to be demanded. 70. No poll shall be demanded on the election of a Chairman of a meeting or on any question of adjournment.

Poll not to stop business. 71. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Votes of members. 72.* (a) Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company each member entitled to vote may vote in person or by proxy. On a show of hands every member who is present in person and each proxy shall have one vote and (subject always to paragraph (d) below) on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents.

(b) A member may appoint not more than two proxies to attend and vote at the same General Meeting provided that if the member is CDP: -

(i) CDP may appoint more than two proxies to attend and vote at the same General Meeting;

(ii) The Company shall be entitled and bound: -

(1) to reject any instrument of proxy lodged if the proxy first named in that instrument, being the Depositor, is not shown, in the records of CDP as at a time not earlier than 48 hours prior to the time of the relevant General Meeting supplied by CDP to the Company, to have any shares credited to a Securities Account; and

(2) to accept as the maximum number of votes which in aggregate all the proxies appointed by CDP in respect of a particular Depositor are able to cast on a poll a number which is the number of shares credited to the Securities Account of that Depositor, as shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the relevant General Meeting supplied by CDP to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of CDP; and
(iii) The Company shall accept as valid in all respects the form of proxy approved by CDP (the “CDP Proxy Form”) for use at the date relevant to the General Meeting in question notwithstanding that the same permits the Depositor concerned to nominate a person or persons other than himself as the proxy or proxies appointed by CDP. The Company shall be entitled and bound, in determining rights to vote and other matters in respect of the completed CDP Proxy Form submitted to it, to have regard to the instructions given by and the notes (if any) set out in the CDP Proxy Form.

(c) In any case where a form of proxy appoints more than one proxy (including the case where such appointment results from a nomination by a Depositor), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and

(d) Upon a poll, Fraser & Neave, Limited, “Heineken” or their respective “successors” shall when present personally or by proxy have (subject always to the provisions and restrictions of Article 5 of the Memorandum of Association) four votes in respect of each of the Management shares held by them respectively, and each of the holders of the Ordinary shares shall have one vote for each of the Ordinary shares held by him.\(^{(2)}\)

VOTES OF FRASER & NEAVE, LIMITED 73.*

SOFIBRA AND HEINEKEN'S

The senior in age of the two Directors appointed by Fraser & Neave, Limited (or by its successors) if he be present, or in default of his presence, then the other of the two Directors appointed as aforesaid shall be entitled to vote on behalf of Fraser & Neave, Limited, or its successors either upon a show of hands or upon a poll as if he were a member of the Company. The senior in age of the two Directors appointed by “Heineken” (or by their respective successors) if he be present, or in default of his presence, then the other of the last named two Directors, shall be entitled to vote on behalf of “Heineken” either upon a show of hands or upon a poll as if he were a member of the Company. Provided that it shall be competent to Fraser & Neave, Limited, or to “Heineken” if either of them shall so desire, to exercise the powers or powers similar to those conferred by the Act or by these Articles, and by resolution of its officials or any other person, whether a member of the Company or not, to act as its or their respective representative at any meeting of the Company, and in case of any such authorisation, the representative so authorised shall be entitled to vote instead of the Director designated in this paragraph.

\(^{(2)}\) As at the Latest Practicable Date, there are no Management shares in issue.

* Amended pursuant to the Special Resolution passed on 23rd February 1993.
Voting under transmission clause (Article 43)  

76.* Any person entitled under the Transmission Article to transfer any shares may (subject to the restriction in Article 44 hereof) vote at any General meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Joint holders’ votes.  

77. Where there are joint registered holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy that one of the said persons so present whose name stands first on the register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.

Instrument appointing a proxy.  

79.* (a) An instrument appointing a proxy shall be in writing and:-

(i) in the case of an individual shall be signed by the appointor or his attorney; and

(ii) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation or, in the case of CDP, signed by its duly authorised officer by some method or system of mechanical signature as CDP may deem appropriate.

(b) The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor (which shall, for purposes of this paragraph (b), include a Depositor) by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article failing which the instrument may be treated as invalid.

Proxies to be deposited at office.  

80.* The instrument appointing a proxy and the power of attorney (if any) under which it is signed shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting as the case may be at which the person named in such instrument proposes to vote but no instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

* Amended pursuant to the Special Resolution passed on 23rd February 1993.
Validity of votes by proxy. 81. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the shares in respect of which the vote is given provided no intimation in writing of the death revocation or transfer shall have been received before the meeting.

Form of Proxy. 82.* An instrument appointing a proxy shall be in writing and may be in any usual or common form (including the form approved from time to time by CDP) or in any other form which the Directors may approve, and shall be deemed to include the right to demand or join in demanding a poll.”

Disqualification of voting. 83. No member shall be entitled to be present or to vote on any question either personally or by proxy or as proxy for another member at any General Meeting or upon a poll or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.”

3.3 Outstanding APBL Options under the Option Scheme. As at the Latest Practicable Date, there are no outstanding APBL Options under the Option Scheme. All APBL Options under the Option Scheme have been exercised.

4. DISCLOSURE OF INTERESTS

4.1 Interests and Dealings of Company in Shares and Convertible Securities of the Offeror. As at the Latest Practicable Date, neither the Company nor its subsidiaries:

a. has any direct or deemed interests in (i) any shares of the Offeror or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i); and

b. has dealt in (i) any shares of the Offeror or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i), during the period commencing six months prior to the Heineken First Announcement Date and ending on the Latest Practicable Date.

4.2 Interests and Dealings of Directors in Shares and Convertible Securities of the Offeror. As at the Latest Practicable Date, none of the Directors: (3)

a. has any direct or deemed interests in (i) any shares of the Offeror or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i); and

b. has dealt in (i) any shares of the Offeror or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i), during the period commencing six months prior to the Heineken First Announcement Date and ending on the Latest Practicable Date.

4.3 Interests and Dealings of Directors in Shares and Convertible Securities of the Company. As at the Latest Practicable Date, none of the Directors:

a. has any direct or deemed interests in (i) any Shares or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i); and

b. has dealt in (i) any Shares or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i), during the period commencing six months prior to the Heineken First Announcement Date and ending on the Latest Practicable Date.

(3) While none of the Directors have any interests and/or dealings in any shares of the Offeror or Convertible Securities, Warrants, Options and Derivatives in respect of such shares of the Offeror, (i) Mr D R Hazelwood has a direct interest in 1,475 shares in Heineken, (ii) Mr Theo de Rond has a direct interest in 4,387 shares in Heineken and (iii) Mr Kenneth Choo Tay Sian has a direct interest in 2,746 shares in Heineken.
4.4 Interests and Dealings of the IFA in Shares and Convertible Securities of the Company.
Save as disclosed below, and as at the Latest Practicable Date, none of the IFA or funds whose investments are managed by the IFA on a discretionary basis:

a. owns or controls any (i) any Shares or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i):

b. has dealt in (i) any Shares or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i), during the period commencing six months prior to the Heineken First Announcement Date and ending on the Latest Practicable Date:

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<th>Name</th>
<th>Date of Transaction</th>
<th>Price per Share (S$)</th>
<th>Shares Acquired</th>
<th>Shares Sold</th>
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Notes:
(1) Rounded to the nearest four decimal places.
(2) No consideration was paid for these Shares. These Shares were borrowed by UBS Securities Asia Limited in the ordinary course of its business with respect to certain securities borrowing and lending arrangements with its clients.
(3) Rounded to the nearest four decimal places.
(4) No consideration was paid for these Shares. These Shares were borrowed by UBS Securities Asia Limited in the ordinary course of its business with respect to certain securities borrowing and lending arrangements with its clients.
(5) Rounded to the nearest four decimal places.
(6) No consideration was received for these Shares. These Shares were returned by UBS Securities Asia Limited in the ordinary course of its business with respect to certain securities borrowing and lending arrangements with its clients.
(7) Rounded to the nearest four decimal places.

5. OTHER DISCLOSURES

5.1 Directors' Service Contracts. There are no service contracts between any Director or proposed Director with the Company or any of its subsidiaries with more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying any compensation. In addition, there are no service contracts entered into or amended between any Director or proposed Director, with the Company during the period commencing six months prior to the Heineken First Announcement Date and ending on the Latest Practicable Date.

5.2 No Payment or Benefit to Directors. It is not proposed, in connection with the Offer, that any payment or other benefit be made or given to any Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Offer.

5.3 No Agreement Conditional upon Outcome of the Offer. There are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer.

5.4 Material Contracts entered into by Offeror. There are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.
6. **FINANCIAL INFORMATION ON THE GROUP**

Set out below is certain financial information extracted from the unaudited consolidated financial statements of the Group for FY2012 as announced by the Company on 15 November 2012 and from the audited consolidated financial statements of the Group for FY2011, FY2010 and FY2009 respectively. The financial information for FY2009, FY2010 and FY2011 should be read in conjunction with the audited consolidated financial statements of the Group for FY2009, FY2010 and FY2011.

<table>
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<td>Profit after tax and non-controlling interests (after exceptional items)</td>
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<td>Profit after tax and non-controlling interests (before exceptional items)</td>
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<td>Non-controlling Interests</td>
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<td>Earnings per Share (cents) (before exceptional items)</td>
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<td>Earnings per Share (cents) (after exceptional items)</td>
<td>141.8</td>
<td>132.3</td>
<td>101.9</td>
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Set out below is also a summary of the net dividend per Share declared in respect of each of FY2009, FY2010, FY2011 and FY2012 by the Company. This information was extracted from the APBL Annual Reports for FY2009, FY2010, FY2011 and the unaudited consolidated financial statements of the Group for FY2012.

<table>
<thead>
<tr>
<th></th>
<th>Cents</th>
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<tbody>
<tr>
<td>In respect of FY2012</td>
<td>115.0</td>
</tr>
<tr>
<td>In respect of FY2011 (including special dividend of 15.5 cents)</td>
<td>100.5</td>
</tr>
<tr>
<td>In respect of FY2010</td>
<td>66.0</td>
</tr>
<tr>
<td>In respect of FY2009</td>
<td>32.0</td>
</tr>
</tbody>
</table>

A copy of the balance sheets of the Group as at 30 September 2010 and 30 September 2011 which are extracted from the Group’s audited consolidated financial statements for FY2011 is set out in **Appendix 3** to this Circular. The balance sheet of the Group as at 30 September 2010 and 30 September 2011 respectively should be read in conjunction with the audited consolidated financial statements of the Group for FY2011 and the accompanying notes as set out in the financial statements.

Copies of the audited financial statements of the Group for FY2009, FY2010 and FY2011 and the unaudited consolidated financial statements of the Group for FY2012 are available for inspection at Asia Pacific Breweries Limited, 438 Alexandra Road #21-00 Alexandra Point, Singapore 119958 during normal business hours for the period for which the Offer remains open for acceptance.
7. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in the unaudited consolidated financial statements of the Group for FY2012 and any other information on the Group which is publicly available (including without limitation, the announcements released by the Group on the SGX-ST), there have been no material changes to the financial position of the Group since 30 September 2011, being the date of the last audited accounts of the Group laid before the Shareholders in general meeting.

8. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Group which are disclosed in Note 2 of the audited consolidated financial statements of the Group for FY2011 are reproduced in Appendix 4 to this Circular.

9. CHANGES IN ACCOUNTING POLICIES

Saved as disclosed in paragraphs 4 and 5 of the unaudited consolidated financial statements of the Group for FY2012 as reproduced in Appendix 5 to this Circular, the Group has applied the same accounting policies and methods of computation as in the audited consolidated financial statements for FY2011, as set out in Appendix 4 to this Circular.

10. MATERIAL CONTRACTS

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries have entered into any material contracts with interested persons (other than those entered into in the ordinary course of business) during the period commencing three years before the Heineken First Announcement Date and ending on the Latest Practicable Date.

11. MATERIAL LITIGATION

As at the Latest Practicable Date, the Group is not engaged in any material litigation as plaintiff or defendant which might materially and adversely affect the financial position of the Group as a whole. The Directors are not aware of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the Group taken as a whole.

However, the Company wishes to highlight that the Company has announced on 20 February 2012, 28 February 2012, 30 March 2012, 28 September 2012 and 12 November 2012 (the "Announcements") that:

(a) Heineken-APB (China) Pte Ltd ("HAPBC"), a 50-50 joint venture between the Company and Asia Pacific Investment Pte Ltd ("APIPL"), the Company and APIPL have been served a summons by Jiangsu Dafuhao Breweries Limited ("DFH") from The Intermediate People's Court of Nantong City, Jiangsu Province, People's Republic of China, which is currently being contested by HAPBC. DFH's claim is for a court order that HAPBC's transfer of its stake in DFH to China Resources Snow Breweries Limited is invalid;

(b) HAPBC has initiated arbitration proceedings at the China International Economic and Trade Arbitration Commission in Beijing, the People's Republic of China, against Nantong Fuhao Alcohol Industry Co., Ltd. ("NAC"), which is HAPBC's joint venture partner in DFH, for various breaches of the joint venture agreement between HAPBC and NAC in relation to DFH. On 28 September 2012, the arbitration tribunal has granted an interim award directing that NAC is to cooperate with HAPBC in its conduct of an audit on DFH for the financial years 2010 and 2011. The arbitration proceedings in respect of HAPBC's other claims against NAC are still on-going.

A copy of each of the Announcements is available on the website of the SGX-ST at www.sgx.com.
12. **GENERAL**

12.1 **Costs and Expenses.** All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

12.2 **Consent of the IFA.** UBS has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of the IFA Letter and references to its name and the IFA Letter, in the form and context in which they appear in this Circular.

13. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of the Company at 438 Alexandra Road #21-00 Alexandra Point, Singapore 119958 during normal business hours for the period which the Offer remains open for acceptance:

(a) the Memorandum and Articles of Association of the Company;

(b) the Annual Reports for FY2009, FY2010 and FY2011;

(c) the unaudited consolidated financial results for the financial year ended 30 September 2012;

(d) the IFA Letter; and

(e) the letter of consent referred to in paragraph 12.2 above.
INFORMATION ON THE OFFEROR

1. **THE OFFEROR**

The following information on the Offeror has been extracted from the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“6.2 The Offeror. The Offeror is the international investment arm and a wholly owned subsidiary of HEINEKEN and was incorporated in the Netherlands on 19 November 1959. As at the Latest Practicable Date, the sole director of the Offeror was HEINEKEN.”

2. **HOLDINGS AND DEALINGS IN THE SHARES**

The following information on the holdings of, and dealings in, the Shares by the Offeror and certain parties acting in concert with it has been extracted from the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“APPENDIX 8

DISCLOSURE OF SHAREHOLDINGS AND DEALINGS IN SHARES

1. **HOLDINGS OF APB SHARES**

Save as disclosed below, as at the Latest Practicable Date, none of the Offeror and its Concert Parties owned, controlled or agreed to acquire any APB Shares or securities which carry voting rights in the Company or are convertible into APB Shares or securities which carry voting rights in the Company, or rights to subscribe for, or options or derivatives in respect of, such APB Shares or securities.

<table>
<thead>
<tr>
<th>Name</th>
<th>No. of APB Shares</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heineken International B.V.</td>
<td>78,771,577</td>
<td>30.5</td>
</tr>
<tr>
<td>Asia Pacific Investment Pte Ltd</td>
<td>167,333,732</td>
<td>64.8</td>
</tr>
</tbody>
</table>

2. **DEALINGS IN APB SHARES**

Save for the acquisition of the Sale Shares and as disclosed below, none of the Offeror or its Concert Parties has dealt for value in any APB Shares or securities which carry voting rights in the Company or are convertible into APB Shares or securities which carry voting rights in the Company, or rights to subscribe for, or options or derivatives in respect of, such APB Shares or securities, during the Reference Period.
<table>
<thead>
<tr>
<th>Date of acquisition</th>
<th>Number of APB Shares acquired</th>
<th>Price paid per APB Share (excluding brokerage commission, clearing fees, stamp duties and goods and services tax)</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 August 2012</td>
<td>6,924,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>22 August 2012</td>
<td>945,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>23 August 2012</td>
<td>765,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>24 August 2012</td>
<td>845,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>27 August 2012</td>
<td>357,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>28 August 2012</td>
<td>270,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>29 August 2012</td>
<td>175,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>30 August 2012</td>
<td>462,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>31 August 2012</td>
<td>126,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>3 September 2012</td>
<td>21,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>4 September 2012</td>
<td>160,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>5 September 2012</td>
<td>125,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>6 September 2012</td>
<td>21,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>7 September 2012</td>
<td>183,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>10 September 2012</td>
<td>41,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>11 September 2012</td>
<td>55,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>12 September 2012</td>
<td>61,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>13 September 2012</td>
<td>642,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>14 September 2012</td>
<td>16,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>17 September 2012</td>
<td>351,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>18 September 2012</td>
<td>98,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>20 September 2012</td>
<td>57,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>21 September 2012</td>
<td>183,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>24 September 2012</td>
<td>22,246,130</td>
<td>S$53.00</td>
</tr>
<tr>
<td>25 September 2012</td>
<td>362,000</td>
<td>S$53.00</td>
</tr>
<tr>
<td>27 September 2012</td>
<td>13,000</td>
<td>S$52.90*</td>
</tr>
</tbody>
</table>

3. ADDITIONAL INFORMATION

The following additional information on the Offeror has been extracted from the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.
APPENDIX 4

INFORMATION ON THE OFFEROR

1. DIRECTORS

The name, address and description of the director of the Offeror as at the Latest Practicable Date are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEINEKEN</td>
<td>Tweede Weteringplantsoen 21</td>
<td>Director</td>
</tr>
<tr>
<td></td>
<td>1017 ZD Amsterdam,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the Netherlands</td>
<td></td>
</tr>
</tbody>
</table>

2. PRINCIPAL ACTIVITIES

The Offeror is a wholly owned subsidiary of HEINEKEN and was incorporated in the Netherlands on 19 November 1959.

Both the Offeror and HEINEKEN are part of the HEINEKEN Group. The Offeror is the investment holding vehicle of the HEINEKEN Group. Please refer to Paragraph 2 of Appendix 3 to this Offer Document for further information.

3. FINANCIAL SUMMARY

The accounts of the Offeror are consolidated with HEINEKEN. The accounts of HEINEKEN are audited and published in accordance with applicable laws and regulations. The Offeror is not required to, and does not, audit or publish its accounts separately.

Pursuant to the Note on Rule 23.4 of the Code, this Offer Document contains the prescribed financial information (as required under Rule 23.4 of the Code) in respect of HEINEKEN, on a consolidated basis. Please refer to Appendices 3, 6, 7 and 11 to this Offer Documents for further information in this regard.

4. REGISTERED OFFICE

The registered office of Offeror is Tweede Weteringplantsoen 21, 1017 ZD Amsterdam, the Netherlands. The Offeror does not have a registered office in Singapore."
The audited balance sheets of the Group as at 30 September 2010 and 30 September 2011 respectively have been reproduced from the annual report of the Company for FY2011, save for references to page numbers which have been altered to conform with the pagination of this Circular, and are set out below.

**Balance Sheets**

**As at 30 September 2011**

<table>
<thead>
<tr>
<th>Note</th>
<th>2011</th>
<th>2010</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAPITAL AND RESERVES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital 11</td>
<td>277,748</td>
<td>277,538</td>
<td>277,748</td>
<td>277,538</td>
</tr>
<tr>
<td>Reserves 12</td>
<td>1,002,414</td>
<td>854,054</td>
<td>940,551</td>
<td>885,383</td>
</tr>
<tr>
<td><strong>NON-CONTROLING INTERESTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Represented by:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets 13</td>
<td>722,573</td>
<td>647,683</td>
<td>1,378</td>
<td>1,183</td>
</tr>
<tr>
<td>Subsidiary companies 14</td>
<td>–</td>
<td>–</td>
<td>1,191,875</td>
<td>1,146,605</td>
</tr>
<tr>
<td>Joint venture companies 15</td>
<td>222,798</td>
<td>274,666</td>
<td>179,522</td>
<td>302,830</td>
</tr>
<tr>
<td>Associated companies 16</td>
<td>5,576</td>
<td>6,250</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other investments 17</td>
<td>45,432</td>
<td>13,074</td>
<td>32,457</td>
<td>14</td>
</tr>
<tr>
<td>Intangible assets 18</td>
<td>672,558</td>
<td>666,996</td>
<td>36,575</td>
<td>36,575</td>
</tr>
<tr>
<td>Other receivables 21</td>
<td>8,114</td>
<td>13,886</td>
<td>470</td>
<td>744</td>
</tr>
<tr>
<td>Deferred tax assets 28</td>
<td>1,105</td>
<td>9,681</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories 20</td>
<td>204,427</td>
<td>196,847</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Trade receivables 21</td>
<td>207,070</td>
<td>174,457</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other receivables 21</td>
<td>30,680</td>
<td>51,977</td>
<td>407</td>
<td>1,087</td>
</tr>
<tr>
<td>Amounts due from subsidiary companies 25</td>
<td>–</td>
<td>–</td>
<td>52,414</td>
<td>73,568</td>
</tr>
<tr>
<td>Amounts due from joint venture companies 26</td>
<td>11,611</td>
<td>21,659</td>
<td>4,553</td>
<td>17,350</td>
</tr>
<tr>
<td>Amounts due from related companies 26</td>
<td>4,967</td>
<td>4,073</td>
<td>397</td>
<td>457</td>
</tr>
<tr>
<td>Short term investments 22</td>
<td>6,554</td>
<td>6,207</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Bank fixed deposits 23</td>
<td>267,976</td>
<td>126,832</td>
<td>58,155</td>
<td>2,619</td>
</tr>
<tr>
<td>Cash and bank balances 23</td>
<td>90,060</td>
<td>109,873</td>
<td>1,824</td>
<td>7,670</td>
</tr>
<tr>
<td><strong>NET CURRENT ASSETS</strong></td>
<td>823,345</td>
<td>691,925</td>
<td>117,750</td>
<td>102,751</td>
</tr>
<tr>
<td><strong>Deduct: CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables 24</td>
<td>267,488</td>
<td>258,769</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other payables 24</td>
<td>205,020</td>
<td>189,433</td>
<td>37,864</td>
<td>35,358</td>
</tr>
<tr>
<td>Amounts due to subsidiary companies 25</td>
<td>–</td>
<td>–</td>
<td>1,351</td>
<td>3,059</td>
</tr>
<tr>
<td>Amounts due to joint venture and associated companies 26</td>
<td>19,361</td>
<td>11,352</td>
<td>–</td>
<td>269</td>
</tr>
<tr>
<td>Amounts due to related companies 26</td>
<td>13,212</td>
<td>15,683</td>
<td>1,006</td>
<td>796</td>
</tr>
<tr>
<td>Borrowings 27</td>
<td>79,768</td>
<td>77,559</td>
<td>–</td>
<td>28,101</td>
</tr>
<tr>
<td>Provision for taxation 28</td>
<td>89,813</td>
<td>70,815</td>
<td>7,833</td>
<td>6,698</td>
</tr>
<tr>
<td><strong>NET CURRENT ASSETS</strong></td>
<td>674,668</td>
<td>620,310</td>
<td>48,054</td>
<td>74,281</td>
</tr>
<tr>
<td><strong>Deduct: NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings 27</td>
<td>354,861</td>
<td>368,013</td>
<td>353,757</td>
<td>353,500</td>
</tr>
<tr>
<td>Deferred tax liabilities 28</td>
<td>68,596</td>
<td>58,466</td>
<td>18,617</td>
<td>–</td>
</tr>
<tr>
<td>Provision for employee benefits 29</td>
<td>6,883</td>
<td>7,521</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>NET CURRENT ASSETS</strong></td>
<td>1,446,587</td>
<td>1,269,851</td>
<td>1,216,299</td>
<td>1,162,921</td>
</tr>
</tbody>
</table>

The accounting policies and notes on pages 80 to 132 form an integral part of the financial statements.
SIGNIFICANT ACCOUNTING POLICIES OF THE GROUP FOR FY2011

The significant accounting policies of the Group have been reproduced from the annual report of the Company for FY2011, save for references to page numbers which have been altered to conform with the pagination of this Circular, and are set out below.

Notes to the Financial Statements
For the Year Ended 30 September 2011

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Companies Act, Cap. 50. The financial statements are prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars (SGD or $) and all amounts are rounded to the nearest thousand ($’000) unless when otherwise stated.

The Company and the group have applied the same accounting policies and methods in the preparation of the financial statements for the current financial year and they are consistent with those used in the previous financial year except for the changes in the accounting policies discussed below.

During the year, the Company and the group adopted the following FRS, revised FRS and amendments and improvements to FRS that are applicable in the current financial year.

Amendments to / Interpretation of FRS

- FRS 32 Financial Instruments: Presentation on Classification of Rights Issue
- FRS 102 Group Cash-settled Share-based Payment Transactions

Improvements to FRS

- FRS 1 Presentation of Financial Statements
- FRS 7 Cash Flow Statement
- FRS 17 Leases
- FRS 18 Revenue
- FRS 36 Impairment of Assets
- FRS 39 Financial Instruments: Recognition and Measurement
- FRS 105 Non-current Assets Held for Sale and Discontinued Operations
- FRS 108 Operating Segments

The adoption of the above FRS, revised FRS and amendments and improvements to FRS has no material effect on the financial statements of the Company and the group.
2. ACCOUNTING POLICIES (continued)

2.2 Subsidiary Companies and Consolidation

(a) Subsidiary Companies

A subsidiary company is a company over which the group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The group generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power.

The Company’s investments in subsidiary companies are carried at cost less accumulated impairment loss.

A list of the Company’s subsidiary companies is shown in Note 39.

(b) Basis of Consolidation

Subsidiary companies are consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases. The financial year of the Company and all its subsidiary companies end on 30 September unless otherwise stated. The consolidated financial statements of the group incorporate the financial statements of the Company and all its subsidiary companies made up to 30 September. The financial statements of subsidiary companies are prepared using consistent accounting policies. Adjustments are made to any dissimilar material accounting policies to conform to the group’s significant accounting policies.

Acquisitions of subsidiary companies are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary company comprises the fair value of the assets transferred, liabilities assumed, equity interest issued by the group and any contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any change in the contingent consideration to be paid will be recognised in the profit statement. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services received. The accounting policy on goodwill on acquisition of subsidiary company is described in Note 2.10.

In preparing the consolidated financial statements, all intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred.

The group elects for each individual business combination, whether non-controlling interest in the acquiree is recognised on the acquisition date at fair value, or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in the profit statement.

Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Total comprehensive income is attributed to the non-controlling interest based on their respective interest in a subsidiary company, even if this results in the non-controlling interest having a deficit balance.

A change in ownership interest in subsidiary companies that do not result in a change of control is accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests will be adjusted to reflect the changes in their relative equity interests in the subsidiary company. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributed to owners of the Company.
2. ACCOUNTING POLICIES (continued)

2.3 Joint Venture Companies
A joint venture company (not being a subsidiary company) is a company in which the group has a long-term interest of not more than 50% of the equity and has a contractual agreement to jointly share the control with one or more parties in the commercial and financial affairs of the joint venture company.

The group’s investments in joint venture companies are carried at cost less accumulated impairment loss and adjusted to recognise the group’s share of the post acquisition reserves of the joint venture companies. Investments in joint venture companies include goodwill.

When the group’s share of losses in a joint venture company equals or exceeds its interest in the joint venture company, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture company.

The group’s share of the operating results and exceptional items of joint venture companies are shown separately in the profit statement. Net assets of the joint venture companies are included in the consolidated financial statements under the equity method based on their latest audited financial statements except where their financial periods do not end on 30 September, their management accounts to 30 September are used.

When an investment in a joint venture company is acquired or sold during the year, its results are included from the date of acquisition or excluded from the date of sale.

In the Company’s separate financial statements, investments in joint venture companies are carried at cost less accumulated impairment loss.

A list of the Company’s joint venture companies is shown in Note 39.

2.4 Associated Companies
An associated company (not being a subsidiary company or joint venture company) is a company in which the group exercises significant influence over the financial and operating policy decisions.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

A list of the group’s associated companies is shown in Note 39.

2.5 Revenue Recognition
Revenue from sale of goods represents the invoiced value of net sales (including excise duties and net of trade discounts) but excluding container deposits and goods and services tax. Other revenue represents service fee and management fee.

Revenue from the sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold.

Dividend income is recognised when the right to receive payment is established.

Interest income is taken up on an accrual basis (using the effective interest method).

Royalty and management fees are recognised on an accrual basis.

2.6 Provisions
Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.
2. ACCOUNTING POLICIES (continued)

2.7 Taxation

The tax charge is based on the profit for the year, as adjusted for tax purposes, together with a charge or credit for deferred taxation.

(a) Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

(b) Deferred Tax

Deferred income tax is provided in full, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liabilities arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences arising on investments in subsidiary, joint venture and associated companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is charged or credited directly to equity if the tax relates to items that are charged or credited, in the same or a different period, directly to equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.8 Fixed Assets

Other than a leasehold building and a plant and machinery item, fixed assets are initially recorded at cost, and subsequently carried at cost less accumulated depreciation and impairment losses. The leasehold building and the plant and machinery item were initially stated at cost and subsequently carried at revalued amount, less accumulated depreciation and impairment losses. The valuation of the leasehold building and plant and machinery item were previously carried out based on appraisals by independent valuers where the revaluation surplus was taken to revaluation reserve. The group does not have a policy of periodic revaluation of the leasehold building and the plant and machinery item.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of fixed assets if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit statement. Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the group and the cost can be reliably measured, otherwise it is recognised as an expense during the financial year in which it is incurred. The carrying amount of the replaced parts is derecognised.
2. **ACCOUNTING POLICIES** (continued)

### 2.8 Fixed Assets (continued)

When an asset is sold or retired, its cost and accumulated depreciation and accumulated impairment loss are removed from the financial statements and any gain or loss resulting from its disposal is included in the profit statement. Any amount in revaluation reserve relating to that asset is transferred to revenue reserve.

Depreciation is calculated on the straight-line method to write off the cost or valuation of a fixed asset less its residual value over its estimated useful life. No depreciation is charged for freehold land and un-commissioned capital work-in-progress. The residual values, depreciation method and useful lives are reviewed and adjusted as appropriate at each balance sheet date. The annual depreciation rates applied to write down fixed assets over their estimated useful lives are as follows:

- **Leasehold land** – Lease term (ranging from 10 to 99 years)
- **Building** – 10 to 60 years or term of lease (whichever is lower)
- **Plant and machinery** – 5 to 40 years
- **Other fixed assets**
  - **Motor vehicles** – 4 to 10 years
  - **Office equipment & Furniture and fittings** – 2 to 15 years
  - **Others** – 5 to 20 years

Capital Work-in-Progress includes fixed assets under construction and the advance and progress payments made for the fixed assets are not depreciated until each stage of development is completed and becomes operational.

The carrying amounts of fixed assets are reviewed for impairment when events or circumstances indicate that the carrying value may not be recoverable.

### 2.9 Borrowing Costs

Borrowing costs that are directly attributable to acquisition and/or construction are capitalised as part of the cost of the fixed asset. Capitalisation of borrowing costs commences when activities to prepare the fixed assets are in progress until the fixed asset is ready for its intended use. Other borrowing costs are expensed as incurred.

### 2.10 Intangible Assets

An intangible asset that is acquired separately is capitalised at cost. An intangible asset from a business acquisition is capitalised at fair value as at the date of acquisition. After initial recognition, an intangible asset is carried at cost less any accumulated amortisation and any accumulated impairment loss.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Amortisation charged on finite intangible assets is taken to the profit statement as amortisation expense.

**Goodwill**

Goodwill on acquisition is identified as being the excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree, and the fair value of the group’s previously held equity interest in the acquiree, over the net fair value of the acquiree’s identifiable assets and liabilities. In instances where the latter amount exceeds the former, the excess is recognised as a gain in the profit statement on the acquisition date.

Positive goodwill is carried at cost less any accumulated impairment loss. Goodwill is subjected to impairment test annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired.

For the purpose of impairment testing, positive goodwill on acquisition, from the acquisition date, is allocated to the cash-generating units ("CGU") that are expected to benefit from the acquisition synergies. An impairment loss is recognised in the profit statement when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount is the higher of the CGU’s fair value less costs to sell and its value in use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rated on the basis of the carrying amount of each asset in the CGU.
2. ACCOUNTING POLICIES (continued)

2.10 Intangible Assets (continued)

Impairment loss on goodwill is not reversed in a subsequent period.

Goodwill and fair value adjustment arising on the acquisition of foreign entity on or after 1 October 2005 are treated as assets and liabilities of the foreign entity and translated at the closing rate. For acquisitions prior to 1 October 2005, the exchange rate at the date of acquisition is used.

Internally generated goodwill is not capitalised.

Brands, Trademarks and Licences

Brands, trademarks and licences with a finite life are stated at cost less accumulated amortisation and impairment loss. They are assessed for impairment annually or whenever there is an indication of impairment. The useful life is also examined on an annual basis and an adjustment, where applicable, is made on a prospective basis. Amortisation is calculated to write off the cost over the estimated useful life of up to 15 years on a straight-line method.

Brands, trademarks and licences with indefinite useful lives are tested for impairment annually or whenever there is an indication that they may be impaired either individually or at the CGU level. Such brands, trademarks and licences are not amortised. The indefinite useful life is reviewed annually to determine whether it continues to be supportable. If not, the change in the useful life from indefinite to finite is made on a prospective basis.

Other Intangible Assets

Other intangible assets comprise of distributor relationship and club membership and they are amortised on a straight-line basis over the remaining useful lives.

Internally generated brands, trademarks, licences and other intangible assets are not capitalised and the expenditure is charged against profit in the year in which the expenditure is incurred.

2.11 Inventories

All inventories including containers (comprising returnable bottles, cases and pallets) are stated at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Cost in respect of raw materials is stated based on standard cost (which approximates average actual cost). Cost in respect of manufactured inventories and work-in-progress includes attributable production overheads. Engineering and other inventories are valued on the weighted average cost basis less appropriate allowance for obsolete items.

2.12 Trade and Other Receivables

Trade and other receivables including receivables from related parties are classified and accounted for as loans and receivables under FRS 39. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect the amount due according to the original terms of the receivables. The amount of the allowance is recognised in the profit statement. Bad debts are written off as incurred.

2.13 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in bank, deposit with financial institution and bank overdraft. Bank overdraft is included within borrowings on the balance sheet. Cash and cash equivalents are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value.

Cash on hand and in bank and fixed deposit are classified and accounted for in the categories of loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.20.
2. ACCOUNTING POLICIES (continued)

2.14 Financial Liabilities

Financial liabilities include trade payable, other payables, payable to related party and interest-bearing loan and borrowing. Financial liabilities are recognised on the balance sheet when, and only when, the group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gain and loss are recognised in the profit statement when the liabilities are derecognised as well as through the amortisation process. The liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

2.15 Employee Benefits

Long Service Leave/ Severance Allowance/ Gratuity

Provision for long service leave, severance allowance and gratuity benefits is made in accordance with the statutory regulations in the country where applicable.

Defined Contribution Plans under Statutory Regulations

As required by law in certain countries, companies within the group make contribution to the state pension scheme. In particular, the Singapore companies in the group make contribution to the Central Provident Fund in Singapore, a defined contribution pension scheme. Contribution to state pension scheme is recognised as compensation expense in the profit statement, in the same period as the employment that gives rise to the contribution.

Share Options

The Company has in place an Executives’ Share Option Scheme (the "Scheme") for granting of options to eligible executives of the group to subscribe for shares in the Company. The Scheme has expired in July 2004. The share options granted are equity-settled transactions. Details of outstanding options granted and not exercised are disclosed in Note 29.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the profit statement with a corresponding increase in the employee share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options on the date of grant. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit statement, and a corresponding adjustment to equity over the remaining vesting period.

When the options are exercised and new ordinary shares issued, the proceeds received (net of any directly attributable transaction costs) and the corresponding share option reserve is credited to share capital.

Phantom Share Options

The Phantom Share Option Plan succeeds the Executives’ Share Option Scheme and the options granted are cash-settled transactions.

The cost of phantom share options granted is measured initially at fair value at the grant date, taking into account the terms and conditions upon which the options were granted. Until the liability is settled, it is re-measured at fair value at each reporting date and the fair value is expensed over the period till vesting with recognition of a corresponding liability.

Accrued Annual Leave

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for employee entitlements to annual leave as a result of services rendered by employees up to the balance sheet date.
2. ACCOUNTING POLICIES (continued)

2.16 Functional and Foreign Currencies

(a) Functional Currency
The currency of the primary economic environment in which the Company operates ("the functional currency") is SGD. The consolidated financial statements are presented in SGD, which is the Company’s functional and presentation currency.

(b) Foreign Currency Transactions
Foreign currency transactions are recorded in the functional currencies of the Company and the respective subsidiary companies at rates of exchange approximating those ruling at transaction date. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates ruling at that date. Exchange differences are dealt with in the profit statement except where exchange differences arise on foreign currency monetary items that in substance form part of the group’s net investment in the foreign entity. These exchange differences are recognised initially in other comprehensive income and accumulated under exchange reserve as a separate component of the shareholders’ funds until the disposal of the net investment at which time they are recognised in the profit statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined.

Currency translation differences on non-monetary items, such as equity investments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Currency translation differences on non-monetary items, such as equity investments classified as available-for-sale financial assets, are included in the fair value reserve within equity.

Currency translation differences arising from events which are treated as exceptional are dealt with as exceptional items in the profit statement.

(c) Foreign Currency Translations
On consolidation of subsidiary companies and equity accounting for joint venture and associated companies, profit statement items are translated into presentation currency at average exchange rates ruling during the year and assets and liabilities are translated into presentation currency at exchange rates ruling at the balance sheet date. Exchange differences arising from translation of foreign subsidiary companies, joint venture and associated companies are recognised in other comprehensive income and accumulated under exchange reserve as a separate component of equity.

On disposal of a foreign operation, the cumulative amount of exchange differences deferred in equity relating to that foreign operation is recognised in the profit statement as a component of the gain or loss on disposal.

2.17 Trading Profits and Exceptional Items
Trading profits are profit arising from operations, excluding investment income, finance income and expenses and share of joint venture and associated companies’ results.

Exceptional items are items of income and expense of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company and group for the year.

2.18 Leases
A finance lease which effectively transfers to the group substantially all the risks and benefits incidental to ownership of the leased item is capitalised at the lower of the fair value of the leased item and the present value of the minimum lease payments at the inception of the lease term and disclosed as fixed asset. Lease payments are apportioned between the finance charge and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit statement. Contingent rents, if any, are expensed in the period in which they are incurred.

A lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item is classified as an operating lease.

Operating lease payments are recognised as an expense in the profit statement on a straight-line basis over the lease term.
2. ACCOUNTING POLICIES (continued)

2.19 Impairment of Non-Financial Assets

The carrying amounts of the group’s assets are reviewed at each reporting date or when annual impairment testing is required, to determine whether there is any indication of impairment. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is charged to the profit statement unless it reverses a previous revaluation in which case it will be taken to other comprehensive income.

Reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be objectively related to an event occurring after the write down. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortised or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss is recognised in the profit statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised in the profit statement, a reversal of that impairment is also recognised in the profit statement.

Impairment loss on goodwill is not reversed in a subsequent period.

2.20 Financial Assets

(a) Classification

The classification of financial assets is determined at initial recognition, with the exception of held-to-maturity investments which are re-evaluated at every reporting date. The group classifies its investments in financial assets in the following categories:

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivative financial instruments are also categorised as held for trading unless they are designated as hedges.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group has the positive intention and ability to hold to maturity. The group’s held-to-maturity investments include investments in government and corporate bonds.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the group intends to dispose the assets within twelve months after the balance sheet date.

(b) Recognition and Derecognition

Financial assets are recognised on the balance sheet when, and only when, the group becomes a party to the contractual provisions of the financial instrument.

Purchases and sales of investment are recognised on trade-date, the date on which the group commits to purchase or sell the asset.

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (i) the consideration received and (ii) any cumulative gain or loss recognised directly in equity is recognised in the profit statement.
2. ACCOUNTING POLICIES (continued)

2.20 Financial Assets (continued)

(c) Initial Measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Transaction costs for financial assets at fair value through profit or loss are recognised in the profit statement.

(d) Subsequent Measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in the profit statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in the other comprehensive income and accumulated under fair value reserve within equity, except that impairment losses, exchange gains and losses on monetary instruments and interest calculated using the effective interest method and recognised in profit statement.

When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments in the fair value reserve within equity will be released through the profit statement.

(e) Determination of Fair Value

The fair values of quoted financial assets are based on current bid prices. The unquoted investments that do not have quoted market prices in an active market nor other methods of reasonably estimating the fair value are carried at cost.

(f) Impairment

(i) Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investments are impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit statement, is removed from the fair value reserve within equity and recognised in the profit statement. Impairment losses recognised in the profit statement on equity investments are not reversed through the profit statement, until the equity investments are disposed of.
2. ACCOUNTING POLICIES (continued)

2.21 Derivative Financial Instruments

The Company and the group use derivative financial instruments to hedge against risks associated with foreign currency fluctuations. Foreign exchange forward contracts are used to hedge its risks associated primarily with foreign currency fluctuations. It is the group's policy not to trade in derivative financial instruments.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The changes in fair value of any derivative instruments that do not qualify for hedge accounting are recognised directly in the profit statement.

The fair value of forward foreign currency contracts is calculated by reference to current forward foreign exchange rates for contracts with similar maturity profiles.

Derivative financial instruments that qualify for hedge accounting are classified either as cash flow hedge or fair value hedge.

At the inception of a hedge relationship, the Company and the group formally designate and document the hedge relationship to which the Company and the group wish to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedge item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

(a) Cash flow hedges

Cash flow hedges are hedges of the exposure to the variability of cash flow that is attributable to a particular risk associated with a recognised asset or liability that could affect the profit statement.

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve within equity, while the ineffective portion is recognised in the profit statement.

Amounts taken to hedging reserve are transferred to the profit statement when the hedged transaction affects the profit statement, such as when the hedged financial income or financial expense is recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to hedging reserve are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in hedging reserve are transferred to the profit statement. If the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in hedging reserve remain in hedging reserve until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the profit statement.

(b) Fair value hedges

Fair value hedges are hedges of the exposure to the variability of fair value that is attributable to a particular risk associated with a recognised asset or liability that could affect the profit statement.

For fair value hedges, the gain or loss on the hedging instrument is recognised directly in the profit statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised to profit statement.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the profit statement.
2. ACCOUNTING POLICIES (continued)

2.22 Significant Accounting Estimates and Judgements

Estimates and assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the group’s accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of non-financial and financial assets

Goodwill and brands

Goodwill and brands are tested for impairment at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill and brands are allocated. Estimating the value in use requires the group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the goodwill and brands at balance sheet date is disclosed in Note 19.

Investment in joint venture and associated companies

The group assesses at each reporting date whether there is any objective evidence that the impairment in joint venture and associated companies are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the higher of the value-in-use and the fair value less costs to sell. Estimating the value in use requires the group to make an estimate of the expected future cash flows from the joint venture and associated companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows which reflects the risk profile of the investee and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. A reasonable change in assumptions about these factors would not significantly affect the recoverable amount of the investees. The carrying amounts of the investment in joint venture and associated companies have been disclosed in the balance sheet.

Investment in available-for-sale financial assets

The group assesses at each balance sheet date whether there is any objective evidence that any available-for-sale financial asset is impaired. To determine whether there is objective evidence of impairment, the group considers factors such as the market condition and whether there is a significant prolonged decline in the values of these financial assets.

Where there is objective evidence of impairment for quoted available-for-sale financial assets, the difference between the cost and current fair value is recognised as impairment loss. Where there is objective evidence of impairment for unquoted available-for-sale financial assets, the recoverable value is estimated based on the amount and timing of the future cash flows.

Loans and receivables

The group assesses at each balance sheet date whether there is any objective evidence that a loan or receivable is impaired. To determine whether there is objective evidence of impairment, the group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(ii) Income taxes

The group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of taxation and deferred taxation at balance sheet date is disclosed in the balance sheet.
2. ACCOUNTING POLICIES (continued)

2.22 Significant Accounting Estimates and Judgements (continued)

(a) Key Sources of Estimation Uncertainty (continued)

(iii) Depreciation of fixed assets

Fixed assets are depreciated on a straight-line basis over their estimated useful lives. The group estimates the useful lives of these fixed assets to be within 1 to 99 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. The carrying amount of fixed assets at balance sheet date is disclosed in the balance sheet.

(b) Critical Judgements Made in Applying Accounting Policies

Management is of the opinion that the instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.
CHANGES IN THE ACCOUNTING POLICIES OF THE GROUP
AS AT 30 SEPTEMBER 2012

The summary of the changes in the accounting policies has been reproduced from the unaudited consolidated financial statements of the Group for FY2012, save for references to page numbers which have been altered to conform with the pagination of this Circular, and is set out below.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements in the current accounting period as compared with the audited financial statements for the year ended 30 September 2011, except for the adoption of new or revised Financial Reporting Standards ("FRS") and interpretations to FRS ("INT FRS") which became effective from this financial year.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

As disclosed in paragraph 4, the Group and the Company have adopted new or revised FRS and INT FRS which became effective from this financial year. The adoption of these new or revised FRS and INT FRS do not have any significant impact on the financial statements of the Group and the Company.