

**SECURITIES INDUSTRY COUNCIL ("SIC")
PRESS STATEMENT**

**TAKE-OVER OFFER FOR OVERSEAS UNION BANK ("OUB")
BY DBS GROUP HOLDINGS LTD ("DBS")**

Background

1 On 22 Jun 2001, DBS announced a voluntary offer (the "DBS Offer") for OUB, offering S\$1.14 in cash and 0.61 new DBS share for each OUB share. On 29 Jun 2001, UOB announced a competing offer (the "UOB Offer") for OUB of S\$4.02 in cash and 0.52 new UOB share for each OUB share. Goldman Sachs (Singapore) Pte ("GS") was the financial adviser to DBS in the DBS Offer.

The DBS Offer

2 On 23 Jul 2001, the SIC received a complaint that the use of presentation materials containing certain statements (the "Statements") during DBS' European roadshows on the DBS Offer (2–4 Jul 2001) might not satisfy the requirements under General Principle 12, Rule 13 and Practice Note 4 of the Singapore Code on Take-overs and Mergers ("Take-over Code").

3 The SIC asked DBS and GS to explain why they regard their conduct to have met the requirements of the Take-over Code.

The SIC's Determination

4 The SIC has considered DBS' and GS' submissions and also the circumstances of the case. DBS publicly withdrew the Statements on 1 Aug 2001, and has also apologised to and compensated UOB and OUB for making the Statements. The presentation materials were used only in meetings with selected DBS institutional investors or potential investors in Europe, and not disseminated to the public nor institutional investors elsewhere. As the DBS Offer remained open until 10 Aug 2001 and the first closing date for the UOB Offer was 17 Aug 2001, OUB shareholders had sufficient time to consider both offers in the light of DBS' retraction of the Statements on 1 Aug 2001.

5 After careful deliberation and having regard to the purposes of General Principle 12, Rule 13 and Practice Note 4, the SIC has informed DBS and GS that it was inappropriate to distribute the presentation materials containing the Statements to the attendees at DBS' European roadshows.¹ The SIC considers the matter closed.

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¹ Please see Notes to Editors.

NOTES TO EDITORS:

This statement does not constitute a reprimand or public censure. Before it may have recourse to such disciplinary actions, the SIC must convene a hearing. In deciding whether a hearing should be convened, the SIC will consider all relevant factors, such as the nature and gravity of the relevant conduct, the possible impact of such conduct on the outcome of the offer or on the market for the shares of the offeree company or the offeror, and the timeliness and effectiveness of any remedial action taken. Taking into account all the circumstances of the present case, the SIC has decided not to hold a hearing.

Relevant Take-over Code Provisions

General Principle 12 and Rule 13 requires all documents, advertisements and announcements addressed to shareholders in connection with a take-over offer to satisfy the highest standard of accuracy, and the information contained therein to be adequately and fairly presented. Practice Note 4 gives guidance on how General Principle 10, which prohibits the furnishing to some shareholders of information which is not available to all other shareholders, should be observed at briefings to selected shareholders during a take-over offer. If any material new information is forthcoming or significant new opinions are expressed at such briefings, a circular giving details should be sent to all shareholders immediately thereafter. If such new information is not capable of being substantiated, this should be made clear and it should be formally withdrawn.

These provisions in the Take-over Code are intended to ensure accurate, adequate and fair disclosure by parties to a take-over offer as well as equal access to information for all shareholders in the offeror and the offeree company, so as to prevent the creation of a false market in the shares of the offeror or the offeree company. In the case of a take-over offer where offeror shares form a significant part of the offer consideration, statements about an offeror could affect the value of offeror shares, and in turn, the outcome of the offer.