

**SECURITIES INDUSTRY COUNCIL**  
**(“SIC” OR THE “COUNCIL”)**  
**PRACTICE STATEMENT ON REAL ESTATE INVESTMENT TRUSTS**

**Introduction**

In a response paper dated 15 Mar 2007 to the public consultation on proposed amendments to the Singapore Code on Take-overs and Mergers (the “Code”) conducted in June 2006, Council stated that it would study further the issue on whether to apply the Code to Real Estate Investment Trusts (“REITs”), i.e. property trusts structured as Collective Investment Schemes under the Securities and Futures Act (Cap 289) (the “SFA”). Since then Council had studied and deliberated on the issue and has now decided to extend the ambit of the Code to REITs.

2 Prior to amendments to the SFA and the Code by the Monetary Authority of Singapore to give effect to this, Council suggests that parties engaged in a take-over or merger transaction involving a REIT comply with the Code. In particular, parties intending to (i) acquire 30% or more of the total units of a REIT; or (ii) when holding not less than 30% but not more than 50% of the total units of a REIT, acquire more than 1% of the total units of the REIT in any six-month period, should make a general offer for the REIT. Council should be consulted in cases of doubt.

## **Application of the Code**

3 In the case of a REIT, references to shares, shareholders and board of a company throughout the Code would, where appropriate, refer to units, unitholders and the manager. Where there is any doubt as to whether a proposed course of conduct in respect of mergers or take-overs involving REITs accords with the General Principles or the Rules of the Code, parties or their advisers should consult the Council in advance.

*Practice Statements are issued by the SIC to provide informal guidance to companies involved in take-overs and practitioners as to how the SIC normally interprets and applies relevant provisions of the Code in certain circumstances. Practice Statements do not form part of the Code. Accordingly, they are not binding on the SIC and are not a substitute for consulting the SIC to establish how the Code applies in a particular case.*

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