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PRESS RELEASE

SECURITIES INDUSTRY COUNCIL ISSUES GUIDELINES ON PARTIAL OFFERS

Singapore, 21 Nov 2000 - The Securities Industry Council ("SIC" or "Council") today issued a new Practice Note No. 14: Partial Offers ("PN 14"). PN 14 is introduced in response to the market need for flexibility in making partial offers.

2 In November 1999, SIC published a consultation paper on proposed revisions to the Singapore Code on Take-overs and Mergers (the "Take-over Code") to keep pace with market innovations and changing international practices over the years. Many of the respondents agreed with most of the proposals set out in the consultation paper.

3 Among the key proposals are:

a. Partial offers that could ***not*** result in the offeror and his concert parties holding shares carrying 25% or more of the voting rights in a public company would be allowed;

b. Partial offers that ***could*** result in them holding ***more than 50% but less than 100%*** of the voting rights would be allowed subject to certain conditions, of which the main ones are as follows:

   (i) the partial offer is not a mandatory offer;

   (ii) the offeror and his concert parties have not acquired and will not acquire any voting shares in the offeree company 6 months before and 6 months after the partial offer;

   (iii) the offer may not be declared unconditional as to acceptances until acceptances are received for not less than the number or percentage offered for, and the acceptances together with shares owned by the offeror and his concert parties prior to the offer result in them holding more than 50% voting rights in the offeree company; and

(iv) the partial offer must be approved by the offeree company's shareholders who hold more than 50% of the votes cast. The offeror, his concert parties, and their associates are not allowed to vote on the partial offer.

4 Partial offers outlined in both (a) and (b) above require Council's prior approval. Such partial offers, permitted in the UK and Hong Kong on similar conditions, allow for market flexibility while preserving the fundamental aspect of fairness to shareholders in the offeree company . Partial offers that could result in control by the offeror of between 25% and 50% voting rights will continue to be disallowed.

5 Practice Note No. 14 takes effect from today.

6 A copy of PN 14 is available on the MAS website at http://www.mas.gov.sg.

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For further information, please call:

Mr Richard Teng
Tel : 2299 230

Ms Teo Lin
Tel: 2299 882

Mr Daniel Teo
Tel: 2299 830

Notes to Editors

Partial offers are offers **for less than 100%** of the voting shares **not** already owned by the offeror and his concert parties. For example, an offer to acquire 60% of the voting shares not already owned by the offeror and his concert parties is a partial offer. This is in contrast to a full offer, hitherto the only kind of offers permitted under the Take-over Code whether for mandatory and voluntary offers, where the offeror proposes to acquire **all** the voting shares **not** already owned by him and his concert parties.

Concert parties or parties acting in concert refer to individuals or corporations who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate control of that company.

A mandatory offer obligation is incurred when:

(i) a person acquires shares which (taken together with shares held or acquired by persons acting in concert with him) carry 25% or more of the voting rights of a public company; **or**

(ii) any person who, together with persons acting in concert with him, holds not less than 25% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of 12 months additional shares carrying more than 3% of the voting rights.

A voluntary offer is an offer which is not a mandatory offer. In other words, it is a take-over offer made by a person when he has not incurred an obligation to make a general offer under the Take-over Code.