

SECURITIES INDUSTRY COUNCIL

(“SIC” OR THE “COUNCIL”)

PRACTICE STATEMENT ON THE REQUIREMENT TO MAKE AN IMMEDIATE ANNOUNCEMENT AFTER ANY ACQUISITION GIVING RISE TO AN OBLIGATION TO MAKE A MANDATORY OFFER, TO MAKE A CASH OFFER OR TO REVISE AN OFFER UNDER THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS (THE “CODE”)

Introduction

General Principle 12 requires all parties to a take-over or merger transaction to make full and prompt disclosure of all relevant information and use every endeavour to prevent the creation of a false market in the shares of an offeror or offeree company. Rule 3.6 requires an immediate announcement after any acquisition of voting rights of an offeree company giving rise to any obligation to make a mandatory offer (Rule 14), to make a cash offer (Rule 17.1) or to revise an offer (Rule 20).

Immediate announcement

2 The Note on Rule 3 provides that within 30 minutes of incurring an obligation to make an offer or to revise an offer already made, the offeror must either make an announcement, or request the Securities Exchange for a temporary halt in trading of the offeree company’s shares and make an announcement before the trading suspension is lifted.

3 The 30-minute grace period provided by the Note on Rule 3 is meant to give an offeror and its advisers adequate time to deal with the administrative aspects of making an announcement or calling a trading halt in anticipation of an announcement. During this period, an offeror and its concert parties must not make any purchases of the offeree shares.

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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