

# SECURITIES INDUSTRY COUNCIL ("SIC")

## PRESS STATEMENT

### GUIDANCE NOTE ON RULE 14.1 OF THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS

1 On 6 Dec 2001, the Monetary Authority of Singapore issued a revised Singapore Code on Take-overs and Mergers ("Take-over Code"), which will come into effect on 1 Jan 2002.

2 Under Rule 14.1 of the revised Take-over Code, a person will be required to make a general offer for a public company if:-

- a) he acquires 30% (instead of 25% now) or more of the voting rights of the company; or
- b) he already holds between 30% and 50% of the voting rights of the company, and he increases his voting rights in the company by more than 1% in any 6-month period (instead of 3% in 12 months now).

3 The SIC has received enquiries on whether a person who holds 25% or more but less than 30% of the voting rights of a public company before 1 Jan 2002 will be required to make a general offer for the company if he acquires additional voting rights in the company on or after 1 Jan 2002.

4 The SIC today issued a guidance note (see attached) setting out the following:-

- a) a person who holds 25% or more but less than 30% of the voting rights of a public company before 1 Jan 2002 can acquire additional voting rights in the company on or after 1 Jan 2002 without incurring a general offer obligation for the company, as

long as his voting rights in the company are less than 30% after the acquisitions;

- b) except with the SIC's prior consent, any such person who acquires 30% or more of the voting rights of the company on or after 1 Jan 2002 will be required to make a general offer under Rule 14.1(a); and
- c) The SIC will normally consent to waiving the general offer requirement for a person who acquires not more than 30% of the voting rights of the company if the person makes an application to the SIC, with documents showing that he held 25% or more but less than 30% of the voting rights in the company before 1 Jan 2002. After increasing his voting rights to 30% pursuant to the SIC's consent, such person will be subject to Rule 14.1(b), i.e. he will be required to make a general offer for the company should he increase his voting rights in the company by more than 1% in any 6-month period.

Issued by Securities Industry Council

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## GUIDANCE NOTE ON RULE 14.1

A person who, together with his concert parties, holds 25% or more but less than 30% of the voting rights of a public company before 1 Jan 2002 can acquire additional voting rights in the company on or after 1 Jan 2002 without making a general offer for the company, as long as the total voting rights in the company held by him and his concert parties are less than 30%.

Except with the Council's prior consent, any acquisitions that would result in such a person and his concert parties acquiring 30% or more of the voting rights of the company on or after 1 Jan 2002 will be subject to Rule 14.1(a). The Council will normally consent to waiving Rule 14.1(a) where a person and his concert parties acquire not more than 30% of the voting rights of the company if that person applies to the Council with satisfactory evidence to show that he and his concert parties held 25% or more but less than 30% of the voting rights in the company before 1 Jan 2002. After increasing their aggregate voting rights to 30% pursuant to the Council's consent, such person and his concert parties will be subject to Rule 14.1(b).