

**SECURITIES INDUSTRY COUNCIL**  
**(“SIC” OR THE “COUNCIL”)**  
**PRACTICE STATEMENT ON ACCEPTANCES**

**Introduction**

Under Rule 28.1 of the Singapore Code on Takeovers and Mergers (“the Code”), an offeror is required to announce the total number of shares (as nearly as practicable) for which acceptances of the offer have been received at various times, including by 8.00 am on the dealing day immediately after the close of the offer. Note 1 on Rule 28.1 adds that:

“The Code requires all offers to be conditional upon a prescribed level of acceptance. It is therefore essential that the offeror adopts the necessary measures and procedures so that all parties to the offer may be confident that the result of the offer is arrived at by an objective procedure which, as far as possible, eliminates errors or uncertainty.”

**Current Practice**

2 Council notes that an offeror normally permits a depositor<sup>1</sup> to accept the offer in respect of shares purchased on-market by submitting the relevant original contract statement for the purchase transaction, together with the completed acceptance form, to the Central Depository (Pte) Ltd (“CDP”). Such acceptance is conditional upon the “Free Balance” of the depositor’s securities account being credited with the purchased shares within a certain period, normally 5 days or more. This is notwithstanding that such period may go beyond the close of the offer.

---

<sup>1</sup> As defined under the Companies Act.

### **Application of Rule**

3 To provide certainty as to the level of acceptance at the close of an offer in accordance with Note 1 on Rule 28.1, original contract statements submitted in respect of purchased shares which have yet to be credited to the “Free Balance” of the relevant depositors’ CDP securities accounts as at the close of the offer should **not** be counted towards fulfilling the acceptance condition.

*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.*

Issued by Securities Industry Council  
3 January 2007