

APPENDIX 4
AUCTION PROCEDURE FOR THE RESOLUTION OF COMPETITIVE
SITUATIONS

1 Definitions and Interpretations

Auction Day 1: The business day immediately following Day 46.

Auction Day 2: The business day immediately following Auction Day 1.

Auction Day 3: The business day immediately following Auction Day 2.

Auction Day 4: The business day immediately following Auction Day 3.

Auction Day 5: The business day immediately following Auction Day 4.

Auction procedure: The procedure set out in Sections 2 to 5 below.

Day 46

The 46th day following the despatch by the second competing offeror of its offer document or, if the second competing offeror is proceeding by means of a scheme of arrangement, such date as the Council shall determine.

Offer announcement

An announcement of a revised offer by a competing offeror during the auction procedure.

Revised offer

Any offer which represents an increase in the level of the consideration offered by a competing offeror (including the introduction of a new form of consideration or an alternative offer).

2 Introduction

- (a) This Appendix sets out the procedure normally to be followed pursuant to Rule 20.5 when a competitive situation continues to exist at 5.00 pm on Day 46 and no alternative procedure has been agreed between the competing offerors, the board of the offeree company and the Council.
- (b) Prior to the commencement of the auction procedure, the Council will issue written instructions to each competing offeror and the offeree company setting out the detailed procedural requirements which the Council considers are necessary to give effect to the auction procedure.
- (c) This Appendix assumes that there are two competing offerors. If a competitive situation involves more than two competing offerors, the Council will modify the auction procedure as it considers appropriate.

3 General

- (a) Except with the consent of the Council, the latest time by which either competing offeror may announce or make a revised offer, other than in accordance with the auction procedure, is 5.00 pm on Day 46.

- (b) If a competitive situation continues to exist at 5.00 pm on Day 46, a competing offeror may announce a revised offer thereafter only in accordance with the auction procedure.
- (c) If, after 5.00 pm on Day 46, a person other than the then competing offerors announces a firm intention to make an offer for the offeree company, the auction procedure will end and the Council must be consulted as to the applicable timetable.
- (d) A competing offeror which is permitted to announce a revised offer on any day during the auction procedure may make only one offer announcement on the relevant day.
- (e) Any offer announcement must comply with the provisions of Rule 3.5.
- (f) A competing offeror must not announce a revised offer the consideration of which is calculated by reference to a formula that is determinable by reference to the value of a revised offer by the other competing offeror.

- (g) If a competing offeror announces a revised offer which the Council determines to be contrary to the provisions of the auction procedure, the Council may declare the revised offer to be invalid, and the competing offeror concerned shall not be permitted to proceed with an offer on the terms set out in the announcement.
- (h) Except with the consent of the Council, during the auction procedure, the competing offerors, the offeree company and any person acting in concert with any of them must not:
 - (i) make any public statement which could reasonably be expected to affect the orderly operation of the auction procedure; or
 - (ii) deal in relevant securities of the offeree company or take any steps to procure an irrevocable commitment or letter of intent from offeree company shareholders in relation to either competing offeror's offer or to amend, vary, update or replace any irrevocable commitment or letter of intent previously procured.
- (i) Following the end of the auction procedure at 5.00 pm on any of Auction Days 1 to 5, the Council will make an announcement confirming that the auction procedure has ended.
- (j) Between the end of the auction procedure and the end of the offer period, a competing offeror and any person acting in concert with it must not place itself in a position where it

would be required to revise its offer. See also Notes 3 and 4 on Rule 20.1.

4 Auction Days 1 to 4

- (a) The auction procedure will commence on Auction Day 1. Either or both of the competing offerors may announce a revised offer on Auction Day 1. If neither competing offeror announces a revised offer on Auction Day 1, the auction procedure will end at 5.00 pm on Auction Day 1.

- (b) A competing offeror may announce a revised offer on Auction Day 2 provided that the other competing offeror announced a revised offer on Auction Day 1. If no such revised offer is announced on Auction Day 2, the auction procedure will end at 5.00 pm on Auction Day 2.
- (c) A competing offeror may announce a revised offer on Auction Day 3 provided that the other competing offeror announced a revised offer on Auction Day 2. If no such revised offer is announced on Auction Day 3, the auction procedure will end at 5.00 pm on Auction Day 3.
- (d) A competing offeror may announce a revised offer on Auction Day 4 provided that the other competing offeror announced a revised offer on Auction Day 3. If no such revised offer is announced on Auction Day 4, the auction procedure will end at 5.00 pm on Auction Day 4.
- (e) If a competing offeror is permitted to announce a revised offer on any of Auction Days 1 to 4 and wishes to do so, that competing offeror must submit an offer announcement to the Council before 4.00 pm on the relevant day.
- (f) Unless the Council otherwise consents or directs, if the relevant competing offeror submits an offer announcement to the Council in accordance with paragraph (e), that competing offeror must announce the revised offer by submitting that offer announcement, in the same form as the announcement submitted to the Council, on SGXNET before 5.00 pm on the relevant day, embargoed for publication until that time.

- (g) If the relevant competing offeror does not submit an offer announcement to the Council in accordance with paragraph (e) on any of Auction Days 1 to 4, that competing offeror may not then announce a revised offer on that day.

5 Auction Day 5

- (a) If a competing offeror which is permitted to announce a revised offer on Auction Day 4 does so, either or both of the competing offerors may announce a revised offer on Auction Day 5. In any event, the auction procedure will then end at 5.00 pm on Auction Day 5.
- (b) If either competing offeror wishes to announce a revised offer on Auction Day 5, that competing offeror must submit an offer announcement to the Council before 4.00 pm on that day. The offer announcement may be submitted subject to a condition that the revised offer will be announced only if the other competing offeror also submits an offer announcement to the Council before 4.00 pm on that day (but not subject to any other conditions, such as the level of a competing offeror's revised offer). If an offer announcement is submitted to the Council subject to such a condition, the Council will, before 4.30 pm on Auction Day 5, notify the relevant competing offeror whether the condition has been satisfied. If both competing offerors submit an offer announcement subject to a condition as referred to in this paragraph (b), both conditions will be deemed to have been satisfied.

(c) Unless the Council otherwise consents or directs, if a competing offeror submits an offer announcement to the Council on Auction Day 5 in accordance with paragraph (b) and either:

(i) the offer announcement is not subject to a condition as referred to in paragraph (b); or

(ii) the offer announcement is subject to a condition as referred to in paragraph (b) and the Council notifies that competing offeror that the condition has been satisfied,

that competing offeror must announce the revised offer by submitting that offer announcement, in the same form as the announcement submitted to the Council, on SGXNET before 5.00 pm on that day, embargoed for publication until that time.

6 Offer Timetable after the End of the Auction

(a) Competing offerors are required to post their revised offer documents by Day 58. However, in consultation with the offeree company, the Council may dispense with the requirement for a competing offeror to post its revised offer document, if it is clear that the value of the competing offeror's offer is lower than the value of the other competing offeror's offer.

(b) The offeree company is required to post its offeree circulars on the revised offers by Day 65. Where the Council has dispensed with the requirement for a competing offeror to

post a revised offer document, the offeree company is not required to post an offeree circular on that offer.

- (c) The latest date which either offer made by the competing offerors may become or be declared unconditional as to acceptances will be Day 72.