

SECURITIES INDUSTRY COUNCIL
(THE “COUNCIL”)
PRACTICE STATEMENT ON OFFERS MADE UNDER RULE 1309 OF
THE SGX-ST LISTING MANUAL

Introduction

Under Rule 1307 of the SGX-ST Listing Manual (the “Manual”), the Singapore Exchange (the “Exchange”) may agree to an application by a listed company to delist from the Exchange if:

- (1) the listed company convenes a general meeting to obtain shareholder approval for the delisting; and
- (2) the resolution to delist the listed company has been approved by a majority of at least 75% of the total number of issued shares excluding treasury shares and subsidiary holdings held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting. The offeror concert party group must abstain from voting on the resolution.

In addition, the following is required under Rule 1309 of the Manual:

- (1) an exit offer must be made to the listed company's shareholders and holders of any other classes of listed securities to be delisted. The exit offer must:
 - (a) be fair and reasonable; and
 - (b) include a cash alternative as the default alternative; and

- (2) the listed company must appoint an independent financial adviser to advise on the exit offer and the independent financial adviser must opine that the exit offer is fair and reasonable.

2 For the purposes of convening a general meeting to obtain shareholder approval for the delisting, a circular (the “Circular”) would be sent to all shareholders at least 14 days before the date of the general meeting. The Circular would contain, amongst others, the terms of the exit offer and the independent financial adviser’s opinion on the exit offer. The exit offer, on the other hand, is made via a letter (the “Offer Letter”) to shareholders. The Offer Letter may be despatched together with the Circular (in which case, the exit offer is conditional upon shareholder approval for the delisting) or after shareholder approval for the delisting has been obtained.

Waiver of Rules

3 An exit offer under Rule 1309 of the Manual is an offer that falls within the ambit of the Singapore Code on Takeovers (the “Code”). However, to facilitate voluntary delistings under Rule 1307 of the Manual, the Council would normally waive compliance of the following Rules of the Code:

- (a) Rule 20.1 to keep offer open for 14 days after it is revised;
- (b) Rule 22 on offer timetable;
- (c) Rule 28 on acceptances; and
- (d) Rule 29 on the right of acceptors to withdraw their acceptances.

- 4 Council's waiver, if granted, will be subject to:
- (a) shareholder approval for the delisting resolution being obtained within 3 months from the date of the announcement of the delisting proposal; and
 - (b) the exit offer remaining open for at least:
 - (i) 21 days after the date of the despatch of the Offer Letter if the Offer Letter is despatched after shareholder approval for the delisting has been obtained; or
 - (ii) 14 days after the date of the announcement of shareholder approval of the delisting if the Offer Letter is despatched on the same date as the Circular.
- 5 The Council will not normally waive compliance with Rule 20.1, Rule 22, Rule 28 and Rule 29 of the Code for delistings directed by the Exchange.

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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