

GUIDE TO PUBLIC MERGERS & ACQUISITIONS IN SINGAPORE, MALAYSIA, INDONESIA AND THAILAND



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Introduction

This guide gives a brief comparative overview of certain key regulatory requirements relating to mergers and acquisitions (“M&A”) of public-listed companies (“Listcos”) in Singapore, Malaysia, Indonesia and Thailand.

Rajah & Tann Singapore is one of the largest full-service law firms in Singapore and South East Asia. Over the years, the firm has been at the leading edge of law in Asia, having worked on many of the biggest and highest profile cases in the region. The firm has a vast pool of talented and well regarded lawyers dedicated to delivering the very highest standards of service across all the firm’s practice areas.

The firm entered into strategic alliances with leading local firms across South East Asia and this led to the launch of Rajah & Tann Asia in 2014, a network of more than 600 lawyers. Through Rajah & Tann Asia, the firm has the reach and the resources to deliver excellent service to clients in the region including Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, Thailand and Vietnam.

The firm’s geographical reach also includes Singapore based regional desks focusing on Japan and South Asia. Further, as the Singapore member firm of the Lex Mundi Network, the firm is able to offer its clients access to excellent legal support in more than 100 countries around the globe.

It is important to seek specific legal advice in any public M&A transaction, and our M&A team would be pleased to discuss your specific objectives and requirements. Should you require any further information, please contact any of the relevant M&A partners listed below.

Comparative Overview of Key Requirements for Public M&A

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1. What are the typical takeover/merger structures?	<p>Typical structures include:</p> <p>General offers (“GO”) - mandatory, voluntary and partial offers.</p> <p>Schemes of arrangement (“Scheme”) between a Listco and its shareholders whereby the acquirer will acquire all the shares in the Listco under Section 210 of the Companies Act (Chapter 50) of Singapore (“Sg Companies Act”).</p> <p>Amalgamation whereby 2 or more Singapore-incorporated companies (amalgamating companies) amalgamate and continue as one company (which may be one of the amalgamating companies or a new company).</p> <p>Reverse take-overs where the acquirer injects its assets into the Listco in exchange for new shares in the Listco.</p>	<p>Typical structures include:</p> <p>General offers (“GO”) - mandatory, voluntary and partial offers.</p> <p>Scheme of arrangement (“Scheme”) – Section 176 of the Companies Act, 1965. A statutory procedure which requires the approval of the shareholders at a meeting and the sanction of the court, whereby a compromise or arrangement is proposed between a company and its creditors / company and its members or any class of them.</p> <p>Amalgamation whereby 2 or more Malaysia-incorporated companies (amalgamating companies) amalgamate and continue as one company (which may be one of the amalgamating companies or a new company).</p> <p>Reverse take-overs where the acquirer injects its assets into Listco in exchange for new shares in Listco.</p>	<p>Typical structures include:</p> <p>Acquisition of all or a majority of existing shares of a Listco by a company/individual to take over the Listco, causing a change in control of such Listco, or by subscribing for new shares issued by the Listco, either through a rights issue or non-preemptive rights.</p> <p>Mergers whereby one or more limited liability companies merge with an existing limited liability company, causing the dissolution (by law) of the merging companies and continued existence of the surviving company.</p> <p>Consolidations – whereby two or more limited liability companies form a new company, followed by the dissolution of all the consolidating companies.</p>	<p>Typical structures include:</p> <p>Acquisition of all or majority of existing shares of a Listco by a company/individual to take over the Listco or by subscribing for new shares issued by the Listco may trigger or be structured as general offers, which include mandatory tender offers (“MTO”), voluntary tender offers (“VTO”) and partial tender offers (“PTO”).</p> <p>Mergers whereby one or more limited liability companies merge with an existing limited liability company, causing the dissolution (by law) of the merging companies and continued existence of the surviving company. Often referred to as a “legal merger”.</p> <p>Reverse take-overs where the acquirer injects its assets into the Listco in exchange for new shares in the Listco.</p>

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2. Regulatory framework (a) What are the key applicable regulations?	<p>Key regulations include:</p> <ul style="list-style-type: none"> • the Sg Companies Act; • the Securities and Futures Act (“SFA”); • the Singapore Code on Take-overs and Mergers (“Sg Code”); • the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”); and • the Competition Act (“CA”). 	<p>Key regulations include:</p> <ul style="list-style-type: none"> • the Companies Act 1965 (“Malaysian Companies Act”); • the Capital Markets and Services Act 2007 (“CMSA”); • the Malaysian Code on Take-overs and Mergers 2010 (“Malaysian Code”); • the Equity Guidelines issued by the Securities Commission Malaysia; and • the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”). 	<p>Key regulations include:</p> <ul style="list-style-type: none"> • Law No. 40 of 2007 on Limited Liability Companies; • Law No. 8 of 1995 on Capital Markets; • Law No. 25 of 2007 on Investment (and related Presidential Regulations issued from time to time on the Negative Investment List); • OJK Rule No.IX.H.1 on the Takeover of Public Companies; • OJK Rule No.IX.G.1 on Mergers; • OJK Rule No. 54/POJK.04/2015 on Voluntary Tender Offers; • OJK Rule No. 60/POJK.04/2015 on Information Disclosure of Certain Shareholders; • OJK Rule No. IX.E.2 on Material Transaction and Change of Main Business Activity; • IDX Regulation No. I-A; • IDX Regulation No. I-I; and • Law No. 5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition, and its implementing regulations. 	<p>Key regulations include:</p> <ul style="list-style-type: none"> • The Public Company Act B.E. 2535 (1992), as amended (“Public Company Act”); • The Securities and Exchange Act B.E. 2535 (1992), as amended (“SEC Act”); • Rules and regulations of the Securities and Exchange Commission; and • Rules and regulations of the Stock Exchange of Thailand.
(b) Which are the primary regulators?	<p>The primary regulators are:</p> <ul style="list-style-type: none"> • the Securities Industry Council (“SIC”) which administers the Sg Code; • the Monetary Authority of Singapore which administers the SFA; • the SGX-ST which regulates 	<p>The primary regulators are:</p> <ul style="list-style-type: none"> • the Securities Commission Malaysia (“SC”) which administers the CMSA and Malaysian Code; and • the Bursa Malaysia Securities Berhad (“Bursa”) which regulates listed 	<p>The primary regulators are:</p> <ul style="list-style-type: none"> • Otoritas Jasa Keuangan (Financial Services Authority / “OJK”) which regulates the financial services sector in Indonesia; • PT Bursa Efek Indonesia (Indonesia 	<p>The primary regulators are:</p> <ul style="list-style-type: none"> • The Securities and Exchange Commission (“SEC”) and the Capital Market Supervisory Board (“CMSB”) which regulate the take over and tender offer transaction;

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	<p>companies listed on the SGX-ST; and</p> <ul style="list-style-type: none"> the Competition Commission of Singapore (“CCS”). 	<p>companies.</p>	<p>Stock Exchange / “IDX”) which regulates listed companies;</p> <ul style="list-style-type: none"> Komisi Pengawas Persaingan Usaha (Indonesia Competition Commission / “KPPU”); the Indonesia Revenue Service, in relation to the tax implications of takeovers; and Badan Koordinasi Penanaman Modal (Capital Investment Coordination Board / “BKPM”) which regulates capital investments in Indonesia. 	<ul style="list-style-type: none"> The Department of Business Development, Ministry of Commerce (“MOC”) which administers the Public Company Act; The Stock Exchange of Thailand (“SET”) which regulates the listed companies on SET; and The Market for Alternative Investment (“MAI”) which regulates the listed companies on MAI.
<p>3. Obtaining control of Listco</p> <p>(a) Is stakebuilding permitted?</p>	<p>An acquirer may build a significant stake in a Listco, subject to the following:</p> <ul style="list-style-type: none"> the mandatory offer obligation threshold (see paragraph 3(b) below); substantial shareholding disclosure requirements (see paragraph 7 below); insider trading prohibitions - if the acquirer comes into possession of confidential price-sensitive information regarding the Listco, it cannot deal in the Listco’s shares until such information has become public or is no longer price-sensitive. 	<p>An acquirer may build a significant stake in Listco, subject to the following:</p> <ul style="list-style-type: none"> the mandatory offer obligation threshold (see paragraph 3(b) below); substantial shareholding disclosure requirements (see paragraph 7 below); insider trading prohibitions - if the acquirer comes into possession of confidential price-sensitive information regarding Listco, it cannot deal in Listco’s shares until such information has become public or is no longer price-sensitive. 	<p>An acquirer of shares may build a significant stake in a Listco subject to the following:</p> <ul style="list-style-type: none"> the mandatory offer obligation threshold (see paragraph 3(b) below); substantial shareholding disclosure requirement (see paragraph 7 below); insider trading prohibitions – In principle, if the acquirer holds material information on the Listco that is yet to be or is not available to the public, the acquirer is prohibited from (i) using the information for trading in securities, or (ii) providing such information to another party that may use the information in a securities transaction; until the information has become public; in cases where the acquirer is a foreign entity, the limitation on foreign shares ownership for certain business 	<p>An acquirer may build a significant stake in a Listco, subject to the following:</p> <ul style="list-style-type: none"> the mandatory offer obligation threshold (see paragraph 3(b) below); substantial shareholding disclosure requirement (see paragraph 7 below); and insider trading prohibitions – in general, if an “insider” comes into possession of confidential price-sensitive information regarding Listco , it cannot deal in Listco’s shares until such information has become public or is no longer price-sensitive.

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			<p>activities as described under the negative investment list or other technical regulations that impose shareholding restrictions may be applicable to such acquirer;</p> <ul style="list-style-type: none"> the possibility that a monopoly or unfair business competition will result (see paragraph 13 below). 	
(b) What is mandatory offer obligation threshold?	<p>The thresholds for triggering a mandatory general offer (“MGO”) for a Listco are as follows:</p> <ul style="list-style-type: none"> where a person acquires shares resulting in him and his concert parties owning 30% or more of the Listco’s voting shares; or where the acquirer and its concert parties hold between 30% to 50%, the acquisition of more than 1% of the Listco’s voting shares in any 6-month period. 	<p>The thresholds for triggering a mandatory general offer (“MGO”) for Listco are as follows:</p> <ul style="list-style-type: none"> where a person has obtained control by acquiring shares resulting in him and his concert parties owning 33% or more of Listco’s voting shares; or where the acquirer and its concert parties hold between 33% to 50%, the acquisition of more than 2% of Listco’s voting shares in any 6-month period. 	<p>A mandatory offer (or locally known as mandatory tender offer (“MTO”)) obligation arises when there is a change of control of a Listco. To be defined as a controller of a Listco, a party must:</p> <ol style="list-style-type: none"> own more than 50% of the total paid-up capital of the Listco; or be able to determine, whether directly or indirectly, by any means, the management and/or policy of the Listco. <p>The new controller will be exempted from the MTO requirement if control is obtained by way of, among other things, the following:</p> <ol style="list-style-type: none"> marriage or inheritance; a final and conclusive court order or decision; merger, spin-off, consolidation or liquidation of the shareholder; shares grant (hibah) without any agreement to obtain compensation of any kind/form; rights issue or non-preemptive 	<p>The threshold for triggering a MTO for a Listco is as follows:</p> <p>where any person acquires shares, by his own act or acting in concert with others (see paragraph 4 below), or does any other acts which result or will result in such person or others acquiring or holding shares in the Listco which reaches or exceeds 25%, 50% or 75% of the total voting rights of the Listco.</p>

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			rights; and (vi) the exercise of a voluntary tender offer (“VTO”).	
4. Concept of concert parties	<p>The concept of “concert parties” under the Sg Code is very wide and the Sg Code presumes certain categories of persons to be acting in concert. For example, an entity’s parent company, sister companies, subsidiaries, fellow subsidiaries, associated companies, companies whose associated companies include the foregoing and any person who has provided financial assistance (other than a bank) to any of the foregoing for the purchase of voting rights, amongst others, will be deemed to be acting in concert with such entity.</p> <p>An acquirer must aggregate its own shareholdings in the Listco with those of its concert parties for the purpose of determining whether any of the MGO thresholds under the Sg Code are triggered. Dealings by the acquirer’s concert parties will also impact upon the minimum offer price to be offered under a GO.</p>	<p>The concept of “persons acting in concert” is broadly drafted in the CMSA and has been recently expanded to include close relatives (i.e. mother, father, child, brother, sister, an adopted child or a step child).</p> <p>To illustrate, the CMSA presumes the following categories of persons to be acting in concert:</p> <ul style="list-style-type: none"> (a) an entity’s related corporations and associated corporations; (b) a corporation and any of its directors or close relatives of its directors as well as spouse of any such director or relative; (c) a corporation and any pension fund established by it; (d) a person and any investment company whose investments such persons manages on a discretionary basis; (e) a person who owns or controls 20% or more of the voting shares of a corporation and any close relative of such person or the spouse of such person or any such relative; (f) partners of a partnership; (g) a financial adviser and its client 	<p>Indonesian law does not recognize “concert parties”. However, it is important to be noted that the OJK, as the local capital market authority, might determine and consequently impose the controller concept above on several parties that either cumulatively own more than 50% of the shares or jointly have the ability to determine management or policy of the Listco. This will be applied if such parties qualify as an “organized group”.</p> <p>OJK regulations define an “organized group” as parties that make any plan, deal or decision to cooperate in achieving a certain goal. Such “organized group” concept may be similar to the concept of “concert parties”. One example of concert parties is if there is a shareholders agreement in the target company (Listco), whereby two or more shareholders agree to manage the Listco jointly.</p>	<p>Persons acting in concert are those who have a mutual intention to exercise their voting rights in the same direction or who allow others to exercise their voting rights for the purpose of achieving the common control of the voting rights or of the Listco and have a relationship or act together in the manner set out in considerable detail in the relevant law.</p> <p>An acquirer must aggregate its own shareholdings in the Listco with those of its concert parties for the purpose of determining whether (i) reporting of a substantial acquisition/disposition is required (see paragraph 7(a) below); and/or (ii) whether any takeover thresholds have been triggered so that a MTO is required to be made.</p>

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		<p>which is a corporation, where the financial adviser manages on a discretionary basis the corporation's funds and has 10% or more of the voting shares in that corporation;</p> <p>(h) any person who is accustomed to act in accordance with the instructions of the individual and the close relative of, companies controlled by such person;</p> <p>(i) a person (other than a licensed bank/prescribed institution) who directly or indirectly provides financial assistance in connection with the acquisition of voting shares, with a person who receives such financial assistance.</p> <p>An acquirer must aggregate its own shareholdings in the Listco with those of its concert parties for the purpose of determining whether the MGO threshold under the Malaysian Code is triggered. Dealings by the acquirer's concert parties will also impact upon the minimum offer price to be offered under a GO.</p>		
<p>5. Key terms of a GO</p> <p>(a) What is the minimum</p>	<p>The offer price must be at least the highest price paid by the acquirer (or its concert parties) during the offer period and within 6 months of the start of the offer period for a MGO (or 3 months for a voluntary general offer ("VGO")).</p>	<p>The offer price must be at least the highest price paid by the acquirer (or its concert parties) during the offer period and within 6 months of the start of the MGO. However, there is no specific requirement on the offer price for a</p>	<p>With regard to an MTO, the price must be determined in the following manner:</p> <p>(a) where the MTO is triggered as a result of a direct acquisition of Listco shares, the lowest MTO</p>	<p>The tender offer price for shares of each class shall not be less than the highest price paid for shares of such class which have been acquired by the offeror, or his concert party, during the period of 90 days prior to</p>

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offer price?	<p>If shares are acquired by the acquirer (or its concert parties) after the offer announcement at a price in excess of the offer price, the acquirer must increase its offer price to the highest price paid for the shares acquired.</p>	<p>voluntary general offer (“VGO”).</p> <p>For all GOs in Malaysia, if shares are acquired by the acquirer (or its concert parties) after the offer announcement at a price in excess of the offer price, the acquirer must increase its offer price to the highest price paid for the shares acquired.</p>	<p>price must be at least the higher of:</p> <ul style="list-style-type: none"> (i) the average of the highest daily trading price of the Listco shares on the stock exchange during (1) the last 90 days before the acquisition announcement or the acquisition negotiation announcement (if any) (the “90 Days Period”) or (2) if the Listco shares were not traded on the stock exchange or temporarily suspended during the 90 Days Period, the last 12 months counted retrospectively from the last trading day or the day on which trading was temporarily suspended, or (ii) the price per Listco share paid by the acquirer to the previous majority shareholders in such acquisition, <p>whichever is higher;</p> <p>(b) where the MTO is triggered as a result of an indirect acquisition of Listco shares, the MTO price must be at least equal to the average of the highest daily trading price of Listco shares on the stock exchange during (1) the 90 Days Period or, (2) if the Listco shares were not traded on the stock exchange or temporarily</p>	<p>the date on which the tender offer document is submitted to the SEC Office.</p> <p>In respect of the shares of the class not so acquired during the 90 day period, the offer price shall not be lower than the highest price calculated by the weighted average market price of such shares or the fair value of such shares as appraised by a financial advisor.</p>

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			<p>suspended during the 90 Days Period, the last 12 months counted retrospectively from the last trading day or the day on which trading was temporarily suspended;</p> <p>With regard to a VTO, the VTO price must be higher than the following, unless stipulated otherwise by the OJK:</p> <ul style="list-style-type: none"> (i) the highest VTO price that was previously offered by the same offeror within a period of 180 days prior to the VTO announcement; (ii) the average of the highest daily trading price of Listco shares on the stock exchange during the last 90 days before the VTO announcement; (iii) the average of the highest daily trading price of Listco shares on the stock exchange during the last 12 months counted retrospectively from the last trading day of such shares, if the Listco shares had not been traded on the stock exchange for a period of 90 days prior to the VTO announcement; or (iv) the reasonable price as determined by an independent appraiser, if the VTO is performed on the Listco shares which are not listed in the stock exchange. 	

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(b) What conditions can be attached to a GO?	<p>All GOs must be subject to a minimum acceptance condition i.e. a condition that the acquirer receives acceptances for shares under the GO which result in the acquirer and its concert parties owning more than 50% of the Listco's voting shares.</p> <p>No other condition is permitted for a MGO.</p> <p>For a VGO, other conditions may be attached subject to certain requirements. Conditions whose fulfilment depend on the subjective interpretation or judgement by the acquirer or lies in the acquirer's hands are not permitted. Normal conditions such as shareholders' approval for issuance of new shares and the SGX-ST's approval for listing of new shares may be attached without reference to the SIC. The SIC should be consulted on other conditions to be attached.</p>	<p>All GOs must be subject to a minimum acceptance condition i.e. a condition that the acquirer receives acceptances for shares under the GO which result in the acquirer and its concert parties owning more than 50% of the Listco's voting shares.</p> <p>No other condition is permitted for a MGO.</p> <p>For a VGO, other conditions may be attached subject to certain requirements. SC may allow a VGO to be conditional upon a higher level of acceptances subject to the acquirer having satisfied to the SC that he is acting in good faith in imposing such high level of acceptances. Conditions whose fulfilment depend on the subjective interpretation or occurrence of an event or lies within the control of the acquirer are not permitted.</p>	<p>With regard to an MTO, other conditions may be attached to the extent that they are required by a governmental authority or applicable regulations. Further, the acquirer is prohibited from imposing different restrictions or requirements based on the classification or status of a shareholder, unless there are distinctions in respect of certain rights or benefits attaching to the shares.</p> <p>For a VTO, aside from conditions that are required by a government authority or prevailing regulations, other specific conditions may be attached by the acquirer. However, the regulations do not specify the criteria for this.</p> <p>Therefore, it is advisable to consult with the OJK on what other conditions apply, if any.</p>	<p>The announcement of tender offer (in case of VTO) may be made to the public with certain pre-conditions, such as a minimum acceptance condition (i.e. a condition that acceptances for shares under the VTO which result in the acquirer and its concert parties owning more than X% of the Listco's voting shares) the condition that the approval of the Listco's general meeting be obtained, or the condition that the financing of the project be approved, provided that the result of such condition is not totally controllable by the person making the tender offer.</p> <p>In this regard, the requirement to submit the required document to SEC shall not be required until the pre-conditions have been satisfied.</p>

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(c) Are there any rules relating to financing conditions and/or confirmation?	<p>Generally, financing conditions are not permitted to be attached to GOs.</p> <p>An offer announcement must contain an unconditional confirmation from the acquirer's financial adviser or appropriate third party (normally a bank) that the acquirer has sufficient financial resources to satisfy full acceptance of the GO.</p>	<p>The attaching of financing conditions to a GO is not permitted.</p> <p>An offeror announcing an offer must include an unconditional confirmation from the acquirer's financial adviser or appropriate third party (normally a bank) that the acquirer has sufficient financial resources to satisfy full acceptance of the GO.</p>	<p>Among the information to be disclosed in the MTO/VTO announcement is a written statement from the acquirer that it has sufficient funds to complete the transaction, supported by the opinion of a public accountant, bank, or securities company.</p> <p>Therefore the MTO/VTO cannot be subject to conditions that the acquirer is able to obtain financing.</p>	<p>The announcement of tender offer (in case of VTO) may be made to the public with the financing of the project to be approved, provided that the result of such condition is not totally controllable by the person making the tender offer.</p> <p>The information of source of funds used by the offeror shall be provided in the Tender Offer form (Form 247-4).</p>
6. What is the level of approval or acceptance from shareholders required?	<p>GO. In general, the minimum acceptance condition must be satisfied. See response to paragraph 5(b) above.</p> <p>Scheme. Must be approved by:</p> <ul style="list-style-type: none"> at least 75% in value of Listco shares held by shareholders present and voting at the court-convened meeting; majority in number of shareholders present and voting at such meeting. (The acquirer, its concert parties and common substantial shareholders of the acquirer and the Listco cannot vote); and the High Court of Singapore. <p>If approved, the Scheme will be binding on all the Listco shareholders and the acquirer will own 100% of the Listco.</p>	<p>GO. In general, the minimum acceptance condition must be satisfied. See response to paragraph 5(b) above.</p> <p>Scheme. Must be approved by:</p> <ul style="list-style-type: none"> at least 75% in value of Listco shares held by shareholders present and voting at the court-convened meeting; majority in number of shareholders present and voting at such meeting. (The acquirer, its concert parties and common substantial shareholders of the acquirer and Listco cannot vote); and the High Court of Malaya. <p>If approved, the Scheme will be binding on all the Listco shareholders and the acquirer will own 100% of Listco.</p>	<p>MTO/VTO. There is no regulation requiring a certain percentage of the Listco's shares to be offered or bid in a MTO/VTO. Additionally, the approval of the Listco's general meeting of shareholders ("GMS") is not required.</p> <p>Acquisition. There is no requirement for the Listco (as the target company) to obtain approval from the GMS, unless it is specifically required under the relevant regulations relating to the business operations of the Listco. It is not also required for the Listco to obtain a letter of effectiveness from the OJK for such transaction. If the acquirer is a public company, the acquisition is subject to rules on material transactions, whereby the approval from GMS is required if the value of the transaction is more than 50% of its equity.</p>	<p>VTO. In general, the minimum acceptance condition (if specified) must be satisfied.</p> <p>MTO. No minimum acceptance condition can be specified.</p> <p>Acquisition. Must be approved by the shareholders of each amalgamating company at a general meeting by special resolution i.e. a majority of not less than 75% of members present and having the rights to vote at the general meeting.</p> <p>Mergers. Must be approved by the shareholders of each amalgamating company at a general meeting by special resolution i.e. a majority of not less than 75% of members present and having the rights to vote at the general meeting.</p>

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	<p>Amalgamation. Must be approved by the shareholders of each amalgamating company at a general meeting by special resolution i.e. a majority of not less than 75% of members present and voting at the general meeting. The boards of directors of the amalgamating companies must, amongst others, make solvency statements in relation to the amalgamating company and the amalgamated company and resolve that the amalgamation is in the best interest of the amalgamating company.</p>	<p>Amalgamation. Must be approved by the shareholders of each amalgamating company at a general meeting by special resolution i.e. a majority of not less than 75% of members present and voting at the general meeting. However, the Malaysian regime does not require the boards of directors to make any solvency statement and board resolution that the amalgamation is in the best interest of the amalgamating company.</p>	<p>Mergers, consolidations, and spin-offs/asset acquisitions. Must be approved by a GMS that is attended by at least 3/4 of the total shares with valid voting rights, and the resolution must be approved by more than 3/4 of the total shares with valid voting rights represented at the GMS.</p> <p>In addition, OJK regulations require the Listco to obtain a letter of effectiveness from the OJK to conduct a merger or consolidation.</p>	
<p>7. Disclosure Thresholds</p> <p>(a) Is there any obligation for shareholders to disclose their shareholding in the Listco?</p>	<p>A person (referred to as a “substantial shareholder”) that has an interest in 5% or more of the voting shares of a Listco is required to give written notification of its interest to the Listco within 2 business days of becoming a substantial shareholder.</p> <p>A substantial shareholder is also required to notify the Listco where there is a percentage level change in its substantial shareholding, and if it ceases to be a substantial shareholder.</p> <p>The Listco is then required to make the corresponding disclosures to the SGX-ST within 1 business day.</p>	<p>A person will be a substantial shareholder if that person holds an interest in 5% or more of the voting shares of a Listco. A substantial shareholder is required to notify the Listco and serve a copy of the notice on the SC within 7 days after becoming a substantial shareholder or if there is any change in its substantial shareholding or if it ceases to be a substantial shareholder.</p> <p>The Listco is required to make an immediate disclosure to Bursa upon receipt of the notice relating to the substantial shareholding.</p>	<p>A person having an ownership of at least 5% or more of the paid-up capital of a Listco is required to provide a written report on its shareholding to the OJK within 10 calendar days of the transaction date.</p> <p>Such party is also required to notify the OJK where there is a change in its shareholding or if it ceases to be a shareholder.</p>	<p>A person who acquires or disposes the shares and convertible securities of Listco (whether on his own, by related persons or acting in concert with others) reaching or passing any multiple of 5% of the total number of the voting rights of Listco is subject to the disclosure obligation. Any multiple of 5% means every 5%, which is 5%, 10%, 15%, etc.</p>

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(b) Is there any additional shareholding / dealing disclosure obligation if the Listco is subject to a general offer?	During the offer period, any dealings in the relevant securities by an acquirer or a Listco or their respective associates (which includes a holder of 5% or more of the acquirer or the Listco) must be disclosed by 12 noon on the dealing day following the date of the relevant transaction.	During the offer period, any dealings in the relevant securities by an acquirer or the Listco or their respective associates (which includes a holder of 5% or more of the acquirer or the Listco) must be disclosed by 12 noon on the dealing day following the date of the relevant transaction.	There is no additional disclosure obligation other than as elaborated in paragraph 7(a).	There is no additional disclosure obligation other than as elaborated in paragraph 7(a).
8. Is there a right of compulsory acquisition / squeeze-out?	<p>Under Section 215(1) of the Sg Companies Act, an acquirer can exercise the right of compulsory acquisition to buy out the remaining shareholders of the Listco if it receives acceptances pursuant to the GO in respect of not less than 90% of Listco shares, excluding those already held by the acquirer or its related corporations (or their respective nominees) as at the date of the GO and excluding treasury shares (the “90% Squeeze-Out Threshold”).</p> <p>Acquisitions of Listco shares outside of the GO may be counted towards the 90% Squeeze-Out Threshold provided that acquisitions are made during the period when the GO is open for acceptances up to the close of the GO and the acquisition price does not exceed offer price (or the offer price is revised to match or exceed the acquisition price).</p>	<p>Under Section 222 of the CMSA, an acquirer can exercise the right of compulsory acquisition to buy out the remaining shareholders of the Listco if it receives acceptances pursuant to the GO in respect of not less than 90% of Listco shares, excluding those already held by the acquirer or its related corporations (or their respective nominees) as at the date of the GO and excluding treasury shares (the “90% Threshold”).</p> <p>Acquisitions of Listco shares outside of the GO may be counted towards the 90% Threshold provided that acquisitions are made during the period when the GO is open for acceptances up to the close of the GO and the acquisition price does not exceed offer price (or the offer price is revised to match or exceed the acquisition price).</p>	It is not compulsory for the shareholders to sell their shares to the acquirer in the event of an MTO or a VTO. Under Indonesian law, a minority shareholder cannot be forced to sell its shares, and a majority or controlling shareholder has no power and authority to force a minority shareholder to sell its shares.	A minority shareholder cannot be forced to sell its shares.

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9. What is the public float requirement?	At least 10% of issued shares (excluding treasury shares) of the Listco must at all times be held by the public. In addition, following a GO, such public float must be held by at least 500 members of the public. "Public" means persons other than directors, the chief executive officer, substantial shareholders or controlling shareholders of the Listco or its subsidiaries and their respective associates.	At least 25% of the total number of shares (excluding treasury shares) of the Listco must be at all times in the hands of public shareholders. Bursa may accept a percentage lower than 25% of the total number of listed shares (excluding treasury shares) if it is satisfied that such lower percentage is sufficient for a liquid market in such shares or units. "Public" means person other than directors, and substantial shareholders or controlling shareholders of the Listco or its subsidiaries and their respective associates.	At least 50 million shares listed on the IDX and a minimum of 7.5% of total issued share capital. There is also a continuing obligation to maintain a minimum of 300 shareholders holding securities accounts with exchange members (i.e., securities companies and custodian banks). In an MTO which results in the new controller holding more than 80% of the total shares of the Listco, the new controller must transfer some of its shares to the public so that the public owns at least 20% of the total shares and Listco is owned by at least 300 persons, within a period of 2 years as of the MTO. In an acquisition which causes the new controller to hold more than 80% of the total shares, the new controller must transfer the shares that it obtained in the MTO so that the Listco is owned by at least 300 persons, within a period of 2 years as of the MTO.	The shares of the Listco shall be held by minority shareholders in a number not less than 150 and such shareholders shall hold shares in aggregate not less than 15% of the paid up capital of the Listco.
10. What are the requirements for a voluntary delisting?	The SGX-ST may agree to the Listco's application to voluntarily delist from the SGX-ST if the delisting is approved by shareholders of the Listco representing a majority of at least 75% of the Listco's total shares (excluding treasury shares) held by shareholders present and voting at a general meeting and is not voted	The SC may agree to the Listco's application to voluntarily delist from Bursa if the delisting is approved by shareholders of the Listco representing a majority of at least 75% of the Listco's total shares (excluding treasury shares) held by shareholders present and voting at a general meeting and is not voted	The following conditions apply to a voluntary delisting: (a) delisting can only be conducted if Listco shares have been listed on IDX for at least five years; (b) the delisting proposal must be approved by the Listco's GMS. The	To delist, the Listco must obtain the approval of not less than 75% of the total issued shares of the Listco, without dissenting votes from more than 10% of the total issued shares. A financial adviser as approved by independent directors shall be appointed to advise and give a

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	<p>against by 10% or more of the Listco's total shares (excluding treasury shares) held by shareholders present and voting. Controlling shareholders and directors need not abstain from voting.</p> <p>In addition, a reasonable exit alternative (normally in cash) should be offered to Listco shareholders, and the Listco is required to appoint an independent financial adviser to advise on whether the exit offer is fair and reasonable.</p>	<p>against by 10% or more of the Listco's total shares (excluding treasury shares) held by shareholders present and voting. Controlling shareholders and directors need not abstain from voting.</p> <p>In addition, a reasonable exit alternative (normally in cash) should be offered to the Listco shareholders, and Listco is required to appoint an independent financial adviser to advise on whether the exit offer is fair and reasonable.</p>	<p>GMS approving delisting must be attended by independent shareholders. Please note that OJK has sole discretion to determine the GMS attendance and voting quorum requirement for delisting; and</p> <p>(c) the Listco or other appointed party must buy back the shares of any shareholder who does not approve the resolution of the GMS, at a price to be determined under the rules on delisting by the IDX.</p> <p>Normally, voluntary delisting is followed by go-private, which is a mechanism to reduce the number of shareholders to become less than 300. Currently, there is no particular regulation on go-private. Normally, go-private is conducted by way of VTO.</p>	<p>recommendation to the general shareholders. The Listco will be responsible for conducting the tender offer for purchasing shares from minority shareholders.</p>
<p>11. What are the key directors' duties in a takeover?</p>	<p>Listco directors are required to obtain competent independent advice by a financial adviser on any offer and the substance of such advice must be made known to Listco shareholders.</p> <p>Listco directors owe fiduciary duties to act in the interests of the company and are also subject to statutory duties under the Sg Companies Act. The Sg Code also provides that in advising shareholders, Listco directors should have regard to the interests of</p>	<p>The directors are required by the Malaysian Code to appoint an independent adviser to provide comments, opinions, information and recommendation on a GO in an independent advice circular. The directors are also required to provide their own opinion and recommendation on a GO.</p> <p>The directors owe fiduciary duties to act in the interests of the Listco and are also subject to statutory duties under</p>	<p>A share acquisition is more a shareholder action than a corporate action. Given this, there are no regulations specifically dealing with the duties of key directors of the Listco.</p> <p>In a VTO, if any director or commissioner of the Listco knows, or has sufficient reason to believe, that any information that was published by the acquirer is false or misleading, the Listco is obliged to make a written statement on that matter. The statement</p>	<p>The Listco and its directors are required to appoint an independent financial advisor to advise and recommend its shareholders whether to accept or reject a takeover offer based on fairness and reason.</p> <p>The directors of the Listco shall keep information in relation to a takeover confidential until it has been reported to SET.</p> <p>Under the SEC Act and Public</p>

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	<p>shareholders as a whole, and not to their own interests or those derived from personal or family relationships.</p> <p>Under the Sg Code, the Listco board must not take any action which could effectively result in the frustration of an offer or shareholders being denied an opportunity to decide on the merits of the offer, without prior shareholders' approval. Examples of frustrating action include the issue of shares or grant of options and convertibles, the sale or acquisition of material assets, the entry into contracts (including service contracts) outside the ordinary course of business and any action which may cause the Listco or its subsidiary or associated company to purchase or redeem shares in the Listco or provide any financial assistance for any such purchase.</p>	<p>the Malaysian Companies Act. The Malaysian Code also provides that Listco directors should have regard to the interests of shareholders as a whole.</p> <p>It is also provided in the Malaysian Code that the board of the Listco, when believing that a bona fide GO might be imminent or during the offer period, shall not undertake any action without obtaining the approval of shareholders that could effectively result in any bona fide GO being frustrated or the shareholders being denied an opportunity to decide on the merits of a GO. In addition to what is provided in the Sg Code, the Malaysian Code also includes frustrating action such as the disposal of assets or liabilities that is a condition to the GO and the selling of treasury shares into the market.</p>	<p>shall cover, at a minimum, the grounds for the statement and the relation between the Listco and the acquirer. Further, the statement must be published in the newspaper no later than 10 working days before the end of the offer period.</p>	<p>Company Act, directors and executives shall perform their duty with responsibility, due care and loyalty, and shall comply with all laws, the objectives, the articles of association of the company, the resolutions of the board of directors and the resolutions of the shareholders' meeting.</p>

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12. Are there any post-offer restrictions?	<p>In the case of an unsuccessful GO (other than a partial offer) which does not become unconditional in all respects, except with the SIC's consent, the acquirer and its concert parties may not within 12 months from the date of which the GO is withdrawn or lapses, either announce another offer for the Listco or acquire any voting rights in the Listco if it or its concert parties would thereby become obliged to make an MGO for the Listco.</p> <p>In the case where the acquirer and its concert parties hold more than 50% of the Listco's voting shares following a GO (other than a partial offer) which became or was declared unconditional in all respects, except with the SIC's consent, the acquirer and its concert parties may not within 6 months of the closure of such GO, make a second offer to, or acquire any shares from, any shareholder of the Listco, on terms better than those made available under the first GO.</p>	<p>In the case of an unsuccessful GO, the acquirer and its concert parties must not within 12 months from the date of the announcement that the GO was withdrawn, lapsed or failed:</p> <ol style="list-style-type: none"> announce another offer for the Listco; acquire any voting shares in the Listco if it would thereby become obliged to make an MGO for the Listco; acquire any voting shares if the acquirer holds voting shares over 48% but not more than 50% of the class of voting shares that had been the subject of the previous GO; or acquire any interest in the voting shares on more favourable terms under its lapsed offer. <p>Following a successful GO, an acquirer and its concert party must not acquire further voting shares in the Listco on more favourable terms than the previous GO, within 6 months immediately after the close of the GO.</p>	<p>There are no restrictions in such circumstances. However, please refer to paragraph 9 above for sell-down requirements.</p>	<p>A person who has previously made a tender offer to purchase securities for the purpose of taking over a Listco – whether successful or not – shall not be permitted to make another tender offer for the same Listco for a period of 1 year, unless otherwise permitted by the CMSB.</p> <p>After the tender offer has been made, the offeror whose shareholding reaches or exceeds 25%, 50% or 75% of the total voting rights:</p> <ol style="list-style-type: none"> is subject to a 6 month pricing restriction period on further acquisitions, calculated from the closure of the tender offer period, although certain exceptions may apply; and shall not take any action which is of a material nature different from those specified in the offer document for a 1 year period following the closure of the tender offer period, unless a shareholders' meeting has passed a resolution by 75% of shareholders present at the meeting and having the right to vote, and the SEC Office has been notified accordingly.

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13. Does the M&A need to be notified to the competition authority?	<p>The M&A should be notified to the CCS if it is expected to result in a substantial lessening of competition in Singapore (“SLC”). Whilst notification to the CCS is voluntary, the CCS has a merger monitoring unit which studies transactions which may not have been notified and may, as appropriate, investigate transactions which it is of the view has resulted or would result in a SLC. Further, the CCS may impose financial penalties on the parties and/or direct divestiture if it concludes that a SLC has or is likely to occur.</p> <p>Separately, when notifying an M&A, parties should highlight in the notification, any agreements, arrangements or provisions which are “directly related and necessary to the implementation of the merger” (e.g. non-compete clauses of a limited duration). Such ancillary restrictions will be reviewed by the CCS together with the M&A and will be covered by the non-opposition decision issued by the CCS.</p>	<p>No. Malaysian competition law does not have a merger control regime. However, abuse of dominance and horizontal and/or vertical agreements which prevent, restrict or distract competition are prohibited under the Malaysian Competition Act 2010.</p>	<p>The KPPU has the power to review or control any M&A or consolidation, including foreign-to-foreign M&A, that may affect competitive conditions in the Indonesian (domestic) market. Every M&A which meets a certain specified threshold and criteria shall be notified to KPPU within 30 working days after it becomes legally effective (mandatory post-notification, known as Notification).</p> <p>Aside from mandatory post-notification regime, Government Regulation No. 57 of 2010 adopts a voluntary pre-notification regime which allows parties to voluntarily notify the M&A to the KPPU before the M&A is completed (voluntary pre-notification, known as “Consultation”). It is important to note that even when the M&A has been notified under the Consultation, if the M&A falls under the Indonesian merger control regime, it still has to be notified to the KPPU within 30 working days after the completion of the transaction, so as to meet the statutory obligation.</p>	<p>Under the Thai Trade Competition Act 1999, the merger of business operators is prohibited where such merger results in monopoly or unfair competition reaching a level prescribed and published in the Royal Gazette by the Trade Competition Commission, unless prior approval has been obtained. However, as no such publication setting out the trigger levels has been made, this provision is currently unenforceable (but should nevertheless be monitored).</p>

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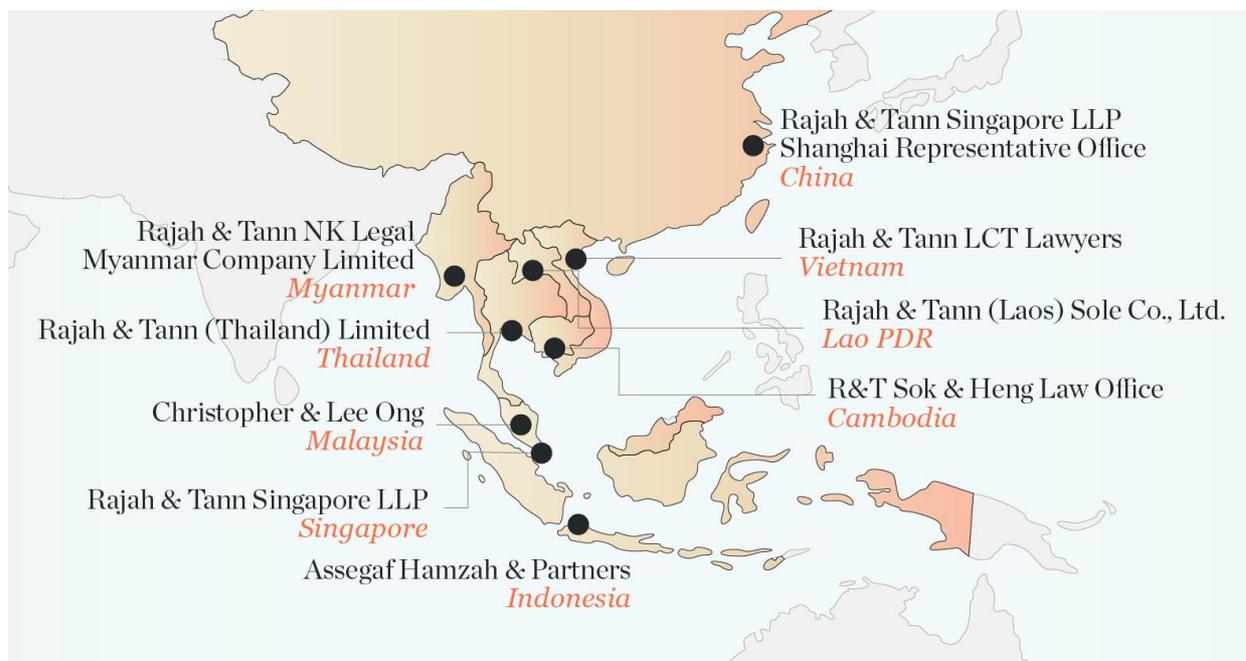
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Our Regional Presence



ASEAN Economic Community Portal

The launch of the ASEAN Economic Community (“AEC”) in December 2015, businesses looking to tap the opportunities presented by the integrated markets of the AEC can now get help a click away. Rajah & Tann Asia, United Overseas Bank and RSM Chio Lim Stone Forest, have teamed up to launch “Business in ASEAN”, a portal that provides companies with a single platform that helps businesses navigate the complexities of setting up operations in ASEAN.

By tapping into the professional knowledge and resources of the three organisations through this portal, small- and medium-sized enterprises across the 10-member economic grouping can equip themselves with the tools and know-how to navigate ASEAN’s business landscape. Of particular interest to businesses is the “Ask a Question” feature of the portal which enables companies to pose questions to the three organisations which have an extensive network in the region. The portal can be accessed at <http://www.businessinasean.com>.

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