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Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from take over bid requirements for cash bid being made in accordance with the laws of Singapore - *De minimis* exemption unavailable because Singapore not a recognized jurisdiction

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 105-108, 110 and 114(2)(c)

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA AND ONTARIO

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF INCHCAPE SPECIAL INVESTMENTS B.V., INCHCAPE PLC AND INCHCAPE MOTORS LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of the provinces of British Columbia and Ontario (the “Jurisdictions”) has received an application from Inchcape plc (“Inchcape”) and Inchcape Special Investments B.V. (the “Offeror”) (collectively, the “Applicants”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the formal take-over bid requirements in the Legislation, including the provisions relating to delivery of an offer and take-over bid circular and any notices of change or variation thereto, delivery of a directors’ circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to a take-over bid, disclosure, financing, restrictions upon purchases of securities, identical consideration and collateral benefits (collectively, the “Take-over Bid Requirements”) do not apply to the proposed offer (the “Offer”) by Inchcape for all the issued and outstanding ordinary shares (the “Target Shares”) of Inchcape Motors Limited (the “Target”);

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AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”) the Ontario Securities Commission (the “OSC”) is selected as the principal regulator for this application;

AND WHEREAS the Applicants have represented to the Decision Makers that:

1. Inchcape is a corporation incorporated under the laws of the United Kingdom. Inchcape’s registered office is located in the United Kingdom. The principal activities of Inchcape and its group of companies are the import, distribution and retail of automobiles, automotive e-commerce, business services and financial services including consumer and dealer finance, insurance and leasing.
2. The authorised capital of Inchcape consists of 131,000,000 ordinary shares of £1.50 par value each (the “Inchcape Shares”). As at March 5, 2002, there were 77,521,698 Inchcape Shares. The Inchcape Shares are listed on the London Stock Exchange.
3. The Offeror is an indirect wholly-owned subsidiary of Inchcape. The Offeror is incorporated under the laws of The Netherlands. The Offeror’s registered office is located in The Netherlands. The principal activity for which the Offeror has been established is that of investment holding.
4. The authorised capital of the Offeror consists of 900 ordinary shares (the “Offeror Shares”). As at the date hereof, there were 180 Offeror Shares issued and outstanding.
5. Neither Inchcape nor the Offeror is a reporting issuer or its equivalent in any jurisdiction in Canada.
6. The Target is a corporation incorporated under the laws of Singapore. The Target’s registered office is located in Singapore. The Target’s principal activity is as an investment holding company and its subsidiaries are primarily engaged in motor retail and distribution.
7. The authorised capital of the Target consists of 400,000,000 Target Shares of S\$0.50 par value each. As at the date hereof, there were, to the best knowledge and belief of the Offeror, 163,714,597 issued and outstanding Target Shares. The Target Shares are listed on the main board of the Singapore Exchange Securities Trading Limited (the “Singapore Exchange”).

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8. The Target is not a reporting issuer or its equivalent in any jurisdiction in Canada.
9. As at February 25, 2002, there were 4,861 holders of Target Shares (the “Target Shareholders”). Target Shareholders resident in Canada (the “Canadian Shareholders”) hold in the aggregate less than 2% of the issued and outstanding Target Shares:
 - (a) two Canadian Shareholders who reside in Ontario hold an aggregate of 1,000 Target Shares (or less than 0.0001% of the issued and outstanding Target Shares); and
 - (b) two Canadian Shareholders who reside in British Columbia hold 22,000 Target Shares (or approximately 0.0001% of the issued and outstanding Target Shares).
10. The Hong Kong and Shanghai Banking Corporation, for and on behalf of the Offeror, intends to make an all cash offer to acquire all of the issued and outstanding Target Shares for S\$2.30 per Target Share.
11. The Offer will be made in accordance with the laws of Singapore, including the requirements of the Singapore Code on Take-overs and Mergers (the “Singapore Code”) and the rules of the Singapore Exchange, and not pursuant to any exemptions from such requirements.
12. Pursuant to the Singapore Code, the Offeror has submitted to the Singapore Exchange for its review and approval an offer document containing the terms and conditions of the Offer and prescribed disclosure (the “Offer Document”). The Offer Document will not be mailed to Target Shareholders until it is approved by the Singapore Exchange. The Code requires that the Offer remain open for at least 28 days after the mailing of the Offer Document to Target Shareholders.
13. The Offeror intends to deliver the Offer Document to Target Shareholders, including Canadian Shareholders, on or about March 21, 2002 and the Offer will remain open until at least April 18, 2002.
14. The Offeror cannot rely on the *de minimis* exemption from the Take-over Bid Requirements because the Decision Makers have not recognized Singapore for this purpose in the Legislation.

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15. The Offer will be made on the same terms and conditions to the Canadian Shareholders as those applicable to Target Shareholders residing outside Canada.

16. The Offer Document and all other material relating to the Offer, including any amendments, sent by the Offeror to Target Shareholders residing outside Canada shall concurrently be sent to the Canadian Shareholders and filed with the Decision Makers.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each of the Decision Makers (the “Decision”);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Offeror is exempt from the Take-over Bid Requirements in making the Offer to the Canadian Shareholders provided that:

- (a) the Offer and all amendments to the Offer are made in compliance with the laws of Singapore, including the Singapore Code and the rules of the Singapore Exchange; and
- (b) the Offer Document and all other material relating to the Offer, including any amendments, that are sent by or on behalf of the Offeror to Target Shareholders residing outside Canada are concurrently sent to the Canadian Shareholders and copies of such material are filed contemporaneously with the Decision Maker in each Jurisdiction.

DATED March 21, 2002.

Paul Moore

Lorne Morphy