

### **Limits on SGX Shareholdings Revised**

- **Strategic investors can acquire substantial stakes of 5% or more;**
- **Fund managers can hold SGX shares beyond 5% limit, up to a cap of 10%**
- **Both subject to prior approval from MAS**

On 16 Feb 2001, Monetary Authority of Singapore (MAS) announced that strategic investors and fund managers who invest pools of customer funds will generally be allowed to acquire substantial stakes of 5% or more in SGX. In response to queries following MAS' announcement, SGX is issuing the following clarifications.

The Exchanges (Demutualisation and Merger) Act requires anyone who wishes to acquire 5% or more of SGX to seek prior approval from MAS. This provision recognises the unique and important role of SGX in providing the infrastructure and marketplace for trading, clearing and settlement of securities and futures in Singapore.

As announced previously, MAS will allow suitable strategic investors who can promote SGX's growth and development to acquire substantial stakes of 5% or more in SGX. The size of their permitted stakes will depend on what these strategic investors can contribute to the business and infrastructure of the Exchange. Such strategic investors must first seek MAS' approval.

Also MAS will generally allow fund managers who invest pools of customer funds to hold SGX's shares beyond the 5% limit. They must first apply for MAS' approval. The total holdings of a fund manager who receives such approval will be capped at 10%.