

APPENDIX A

Hypothetical partial offer - AB wants 50.1% of XYZ Ltd

AB holds or controls 19.99% of the voting rights in XYZ Limited, a Code company. AB wishes to increase its voting control to 50.1% by way of a partial offer (please note that although this example is based on the scenario at Figures 1 and 2, it applies some different assumptions)

Share register - XYZ Ltd		
Name	Num held	% held
AB	19,990,000	19.99%
C	10,000,000	10.00%
D	7,000,000	7.00%
E	20,000,000	20.00%
F	25,000,000	25.00%
Others	18,010,000	18.01%
Total	100,000,000	100.00%

Calculate specified %	as num	as %
Desired holding	50,100,000	50.10%
less current holding	19,990,000	19.99%
Total sought ("TS")	30,110,000	30.11%
Total voting rights	100,000,000	100.00%
less current holding	19,990,000	19.99%
Total not held or controlled by AB ("TNHC")	80,010,000	80.01%
Specified % (TS / TNHC) = 37.63%		

Total acceptances

	If all hold directly		
	Name	No. acceptances	as % of total held
Total number of XYZ shares in respect of which AB receives acceptances for its partial offer	C	10,000,000	100.00%
	D	3,500,000	50.00%
	E	0	0.00%
	F	20,000,000	80.00%
	Others	15,000,000	83.29%
Total	48,500,000	60.62%	

If C, D, & E hold through nominee ("CDE Nom")

Name	No. acceptances	as % of total held
CDE Nom	13,500,000	36.49%
F	20,000,000	80.00%
Others	15,000,000	83.29%
Total	48,500,000	60.62%

CDE Nom underlying acceptances	
C	10,000,000
D	3,500,000
E	0

Stage 1 of scaling process ("S1")

	Name	No. taken up
AB takes up lesser of either:	C	3,763,280
(a) 37.63% OR	D	1,317,148
(b) actual no. accepted	E	0
	F	7,526,559
	Others	5,644,919
Total S1	18,251,906	

Name	No. taken up
CDE Nom	13,500,000
F	7,526,559
Others	5,644,919
Total S1	26,671,479

CDE Nom underlying S1 take up	
C	10,000,000
D	3,500,000
E	0

Stage 2 ("S2")

If all hold directly	
AB's total sought	30,110,000
less S1 take up	18,251,906
Total further required ("TFR")	11,858,094
Total acceptances	48,500,000
less S1 take up	18,251,906
Excess acceptance pool ("EAP")	30,248,094
TFR / EAP = 39.20%	
AB takes up 39.20% of the remaining shares from each offeree with excess acceptances	

If C, D & E hold through nominee	
AB's total sought	30,110,000
less S1 take up	26,671,479
Total further required ("TFR")	3,438,521
Total acceptances	48,500,000
less S1 take up	26,671,479
Excess acceptance pool ("EAP")	21,828,521
TFR / EAP = 15.75%	
AB takes up 15.75% of the remaining shares from each offeree with excess acceptances	

Name	No. left (S1)	Further take (S2)	Total take (S1+S2)
C	6,236,720	2,444,968	6,208,247
D	2,182,852	855,739	2,172,887
E	0	0	0
F	12,473,441	4,889,936	12,416,495
Others	9,355,081	3,667,452	9,312,371
Total	30,248,094	11,858,094	30,110,000

Name	No. left (S1)	Further take (S2)	Total take (S)
CDE Nom	0	0	13,500,000
F	12,473,441	1,964,869	9,491,429
Others	9,355,081	1,473,652	7,118,571
Total	21,828,521	3,438,521	30,110,000

Compare results holding directly vs. holding by nominee

Name	Total acceptances	Take up if direct holding		Take up if nominee holding		Difference direct vs. nominee	
		No. of total	% of total	No. of total	% of total	No. of total	% of total
C	10,000,000	6,208,247	62.08%	10,000,000	100.00%	3,791,753	37.92%
D	3,500,000	2,172,887	62.08%	3,500,000	100.00%	1,327,113	37.92%
E	0	0	0.00%	0	0.00%	0	0.00%
F	20,000,000	12,416,495	62.08%	9,491,429	47.46%	-2,925,066	-14.63%
Others	15,000,000	9,312,371	62.08%	7,118,571	47.46%	-2,193,800	-14.63%
Total	48,500,000	30,110,000					

If we assume AB's offer prices is \$1.00 per share, shareholder C is \$3,791,753 better off as a result of its securities being held by a nominee, than if C held its securities directly on the XYZ share register. Conversely, shareholder F is \$2,925,066 worse off by virtue of the distortion caused by not looking through the holding of CDE Nom, than in the scenario where C, D, and E hold their securities directly on the register.

31+S2)