

THE TAKEOVER PANEL

London Tin Corporation Limited ("London Tin")

On 29th May, 1975 it was announced by the boards of directors of Pernas Sendirian Berhad ("Pernas") and Haw Par Brothers International Limited ("Haw Par") that arrangements had been finalised under which Haw Par would purchase from Pernas the entire issued share capital of its wholly-owned subsidiary, Tradewinds (Malaysia) Sendirian Berhad ("Tradewinds"). The directors of Haw Par had agreed to issue new shares in Haw Par in exchange for the share capital of Tradewinds representing approximately 39.7% of the enlarged capital of Haw Par.

The principal assets of Tradewinds included some 20.36% of the issued ordinary share capital of London Tin. Haw Par already held some 29.98% of London Tin.

On 3rd June, 1975 the full Panel met to consider an application from Haw Par and Pernas in relation to the obligations arising under the Code as a consequence of the above transactions. The Panel was informed that the 20% of London Tin had been purchased by Tradewinds during the latter part of May, at a time when the proposed arrangements between Haw Par and Pernas were under discussion.

It was explained to the Panel that Pernas and Haw Par were seeking a partnership on fair commercial terms with the minority shareholders of London Tin. The concept that there should be a partnership between British industrial and commercial interests and those of Malaysia is to be welcomed, and the Panel both appreciates and recognises that Malaysia should seek to control its own natural resources. However, the Panel considers that for such a partnership to be successful, it should arise as a result of an association entered into willingly by all shareholders in accordance with normal commercial practice. Accordingly, the minority shareholders should be given the opportunity of deciding whether or not to retain their investment in London Tin.

The Panel has ruled that Pernas and Haw Par were acting in concert when shares in London Tin were purchased by Tradewinds. Accordingly, both companies have a joint and several obligation under Rule 34 of the City Code to make or procure a bid for the ordinary shares in London Tin not already owned by them at 197 3/16p per share; this is the highest price paid for shares acquired by them during the past year.

6th June, 1975.