

Chapter 21

Sovereign Controlled Commercial Companies: Premium listing



21.9 Transactions and circulars: certificates representing shares

Compliance with LR 10 (Significant transactions: Premium listing)

- 21.9.1 **R** A *listed company* must comply with ■ LR 10 (Significant transactions: Premium listing) subject to the modifications and additional requirements set out in ■ LR 21.9.2G to ■ LR 21.9.9R.
- 21.9.2 **G** Where a *company* has *certificates representing shares listed*, the purpose of ■ LR 10 is also to ensure that holders of *certificates representing shares*:
- (1) are notified of certain transactions entered into by the *listed company*; and
 - (2) have the opportunity to vote on larger proposed transactions.
- 21.9.3 **R** For the purposes of ■ LR 21.9.1R, references to the *listed company* or the *issuer* must be read as references to the *issuer* of the *equity shares* which the certificates represent in ■ LR 10.
- 21.9.4 **R** For the purposes of ■ LR 21.9.1R, in ■ LR 10.2.7R(1)(b) the figure used to determine the market capitalisation of the *listed company* is calculated as follows:
- (1) where the *class of equity shares* which the certificates represent is listed, the aggregate market value of all the *equity shares* which are listed (excluding *treasury shares*); and
 - (2) where the *class of equity shares* which the certificates represent is not listed:
 - (a) by dividing the aggregate market value of all the *equity shares* which are represented by the certificates in issue by the number of *equity shares* represented by the certificates; and
 - (b) then multiplying the result by the total number of *equity shares* in the *class* of the *equity shares* which the certificates represent (excluding *treasury shares*).
- 21.9.5 **G** A *listed company* is required under ■ LR 21.8.13R(3) to ensure that any *circular* which is sent to shareholders pursuant to ■ LR 10.5.1R(2) or ■ LR 10.5.4R(1)(b) is

sent to holders of its *certificates representing shares* at the same time as the *circular* is despatched to shareholders.

21.9.6 **G** For the purposes of obtaining the prior shareholder approval required by ■ LR 10.5.1R, a *listed company* is required under ■ LR 21.8.13R to ensure that the holders of its *certificates representing shares* are able to exercise the votes attaching to the *equity shares* which the certificates represent on any shareholder vote.

21.9.7 **G** For the purposes of ■ LR 21.9.1R, in ■ LR 10.5.5G it may also be necessary to adjourn a convened shareholder meeting if a supplementary *circular* cannot be sent to holders of *listed certificates representing shares* at least 7 days prior to the convened shareholder meeting as required by ■ LR 13.1.9R.

21.9.8 **R** For the purposes of ■ LR 21.9.1R, paragraph 5R(5) of Annex 1 to ■ LR 10 (Significant transactions: Premium listing) does not apply and, for the purposes of paragraph 5R(1) of Annex 1, the figure used to determine market capitalisation is calculated as at the close of business on the last *business day* before the announcement as follows:

- (1) where the *class of equity shares* which the certificates represent is listed, the aggregate market value of all the *equity shares* which are listed (excluding *treasury shares*); and
- (2) where the *class of equity shares* which the certificates represent is not listed:
 - (a) by dividing the aggregate market value of all the *equity shares* which are represented by the certificates in issue by the number of *equity shares* represented by the certificates; and
 - (b) then multiplying the result by the total number of *equity shares* in the *class of the equity shares* which the certificates represent (excluding *treasury shares*).

21.9.9 **R** For the purposes of ■ LR 21.9.1R, in paragraphs 7R(4)(a) and 7R(5)(a) of Annex 1 to ■ LR 10 the market value of the *listed company's shares* is to be calculated as follows:

- (1) where the *class of equity shares* which the certificates represent is listed, the aggregate market value of all the *equity shares* which are listed (excluding *treasury shares*); and
- (2) where the *class of equity shares* which the certificates represent is not listed:
 - (a) by dividing the aggregate market value of all the *equity shares* which are represented by the certificates in issue by the number of *equity shares* represented by the certificates; and
 - (b) then multiplying the result by the total number of *equity shares* in the *class of the equity shares* which the certificates represent (excluding *treasury shares*).

Compliance with LR 12 (Dealing in own securities and treasury shares: Premium listing)

- 21.9.10 **R** A *listed company* must comply with all the requirements of ■ LR 12 (Dealing in own securities and treasury shares: Premium listing) subject to the modifications and additional requirements set out in ■ LR 21.9.11R to ■ LR 21.9.17G.
- 21.9.11 **R** For the purposes of ■ LR 21.9.10R, in ■ LR 12:
- references to the *listed company* must be read as references to the *issuer* of the *equity shares* which the certificates represent; and
- the reference in the definition of *tender offer* to a *class* of its *listed equity securities* must be read as a reference to a *class* of *equity shares* which the certificates represent.
- 21.9.12 **G** In relation to the requirement set out in ■ LR 12.3.1R(1), the *listed company* is required under ■ LR 21.8.13R to ensure that, where the *tender offer* is made to holders of the *class of equity shares* which the certificates represent, the holders of its *certificates representing shares* have an equal opportunity to participate in the *tender offer*.
- 21.9.13 **G** Where a purchase by a *listed company* of its own *equity securities* or *preference shares* is to be made from a *related party* which is a *sovereign controlling shareholder* or an *associate* of a *sovereign controlling shareholder*, the *listed company* should note ■ LR 12.3.2R.
- 21.9.14 **G** For the purposes of ■ LR 21.9.10R, in relation to the requirement set out in ■ LR 12.4.2R (for purchases by the *listed company* of 15% or more of any *class* of its *equity shares* to be by way of a *tender offer* to all shareholders of that *class*), the *listed company* is required under ■ LR 21.8.13R to ensure that, where the *tender offer* is made to holders of the *class of equity shares* which the certificates represent, the holders of its *certificates representing shares* have an equal opportunity to participate in the *tender offer*.
- 21.9.15 **G** For the purposes of obtaining the shareholder approval required by ■ LR 12.4.2AR, a *listed company* is required under ■ LR 21.8.13R to ensure that the holders of its *certificates representing shares* are able to exercise the votes attaching to the *equity shares* which the certificates represent on any shareholder vote.
- 21.9.16 **R** For the purposes of ■ LR 21.9.10R, references to *securities* convertible into *equity shares* with a *premium listing* must be read as references to *securities* convertible into the *equity shares* which the certificates with a *premium listing* represent in the following:
- (1) ■ LR 12.5.1R; and
- (2) ■ LR 12.5.2R.

21.9.17 **G** A *listed company* is required under ■ LR 21.8.13R(3) to ensure that any *circular* which is sent to shareholders pursuant to ■ LR 12.5.7R is sent to holders of its *certificates representing shares* at the same time as the *circular* is despatched to shareholders.

Compliance with LR 13 (Contents of circulars: Premium listing)

21.9.18 **R** A *listed company* must comply with all the requirements of ■ LR 13 (Contents of circulars: Premium listing) subject to the modifications and additional requirements set out in ■ LR 21.9.19R to ■ LR 21.9.22R.

21.9.19 **R** For the purposes of ■ LR 21.9.18R, in ■ LR 13 references to the *listed company* or to the *issuer* must be read as references to the *issuer* of the *equity shares* which the certificates represent.

21.9.20 **R** A *listed company* must ensure that *circulars* it issues to:

- (1) holders of its *listed certificates representing shares*; and
- (2) holders of the *class of equity shares* which the certificates represent,

comply with the requirements of ■ LR 13 as amended by this section.

21.9.21 **R** For the purposes of ■ LR 21.9.18R, references to holders of *listed equity shares* must be read as references to holders of *listed certificates representing share* and holders of the *class of equity shares* which the certificates represent in the following:

- (1) ■ LR 13.1.9R;
- (2) ■ LR 13.2.10R; and
- (3) ■ LR 13.8.8R.

21.9.22 **R** For the purposes of ■ LR 21.9.18R, in ■ LR 13.8.18R references to *controlling shareholder* must be read as excluding a *sovereign controlling shareholder*.