

## Chapter 21

# Sovereign Controlled Commercial Companies: Premium listing

## 21.5 Transactions with related parties: Equity shares

- 21.5.1** **R** A *listed company* must comply with ■ LR 11 (Related party transactions: Premium listing) subject to the modifications in ■ LR 21.5.2R.
- 21.5.2** **R** For the purposes of ■ LR 21.5.1R, in the case of a *related party* which is a *sovereign controlling shareholder* or an *associate* of a *sovereign controlling shareholder*:
- (1) the following provisions do not apply:
    - (a) ■ LR 11.1.1AR to ■ LR 11.1.1ER;
    - (b) ■ LR 11.1.7R(2) to ■ LR 11.1.7R(4);
    - (c) ■ LR 11.1.7CR and ■ LR 11.1.8G;
    - (d) ■ LR 11.1.10R(2)(b); and
    - (e) ■ LR 11.1.11R(3)(a);
  - (2) the following provisions are modified as follows:
    - (a) ■ LR 11.1.7AR must be read as if the words “after obtaining shareholder approval but” are omitted;
    - (b) ■ LR 11.1.9G must be read as follows:
      - (i) the reference to ■ LR 11.1.7R must be read as a reference to ■ LR 11.1.7R as modified by ■ LR 21.5.2R(1); and
      - (ii) as if the words “and ■ LR 11.1.8G” are omitted;
    - (c) ■ LR 11.1.11R(1) must be read as if the words “and the transactions or arrangements have not been approved by shareholders” are replaced by “and ■ LR 11.1.11R(2) as modified by ■ LR 21.5.2R(2)(d) has not been complied with in relation to these transactions or arrangements”; and
    - (d) ■ LR 11.1.11R(2) must be read as follows:
      - (i) as if the first sentence is omitted and replaced by the following sentence “If any *percentage ratio* is 5% or more for the aggregated transactions or arrangements, the *listed company* must comply with ■ LR 11.1.7R as modified by ■ LR 21.5.2R(1) in respect of the latest transaction or arrangement, and details of each of the transactions or arrangements being aggregated must be included in the notification required by ■ LR 11.1.7R(1).”; and
      - (ii) as if the “Note” is omitted.

- 21.5.3** **R** The requirement in ■ LR 8.2.3R to obtain the guidance of a sponsor does not apply where a *listed company* is proposing to enter into a transaction which is, or may be, a *related party transaction* and the *related party* concerned is a *sovereign controlling shareholder* or an *associate* of a *sovereign controlling shareholder*, unless the *related party transaction* is, or may be, a purchase by the *listed company* of its own *equity securities* or *preference shares*.
- 21.5.4** **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.