
**QUESTIONS AND ANSWERS IN RELATION TO
BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS FOR THE MAIN MARKET
(As at 2 January 2018)**

CHAPTER 12 – SHARE BUY-BACKS

12.1 [Deleted]

12.2 **If a listed corporation obtains an authorisation from its shareholders to purchase its own shares in year 2017 but did not renew the said authorisation in year 2018, can it still issue a Share Buy-back Statement to its shareholders to seek their authorisation for the purchase of its own shares in year 2019?**

Yes. Under paragraph 12.06(1) of the Main LR, a listed corporation is only required to issue a Share Buy-back Statement to its shareholders, for purposes of either seeking a new authorisation or renewing an existing authorisation to purchase its own shares. The Share Buy-back Statement must include the prescribed information as set out in Appendix 12A of the Main LR.

12.3 **Under paragraph 7.15 of the Main LR, notices of general meetings are required to be advertised in a daily press. Are listed corporations required to advertise the Share Buy-back Statement as well?**

No, only notices of the general meeting for the renewal of an existing authorization for share buy-back are required to be advertised in the daily press.

12.4 **A Bhd, a listed corporation has a total number of 100 million issued ordinary shares. Pursuant to its authorisation in year 2017, A Bhd had purchased 10 million of its own shares and retained the shares purchased as treasury shares. Can A Bhd still purchase its own shares in year 2018?**

No, pursuant to paragraph 12.09 of the Main LR, A Bhd must not purchase its own shares or hold any of its own shares as treasury shares if this results in the aggregate of the shares purchased or held exceeding 10% of its total number of issued shares. Hence, as the treasury shares held by A Bhd in year 2018 is already 10% of its total number of issued shares, A Bhd may not purchase its own shares in year 2018. However, if the treasury shares are cancelled in year 2018 and subject to the authorisation from shareholders, A Bhd may purchase its own shares subsequently.

12.5 **Based on the same facts as in Question 12.4 above, assuming that pursuant to its authorisation in year 2017, A Bhd had purchased 5 million of its own shares and cancelled the shares purchased in April 2017. What is the remaining number of its own shares that A Bhd may purchase in year 2017?**

Pursuant to paragraph 12.09 of the Main LR, A Bhd may purchase an additional 5 million of its own shares for the remaining period in year 2017.

- 12.6** *B Bhd*, a listed corporation has a total number of 120 million issued ordinary shares. For year 2017, *B Bhd* procured its shareholder approval to undertake share buy-back of up to 10% of its total number of issued shares. Pursuant to its authorisation in year 2017, *B Bhd* had purchased 3 million of its own shares in February 2017 and retained the shares purchased as treasury shares. Subsequently in August 2017, the total number of issued shares of *B Bhd* is reduced to 100 million upon completion of its corporate exercise. What is the remaining number of its own shares that *B Bhd* may purchase in year 2017?

The maximum limit that a listed corporation may purchase its own shares or hold any of its own shares as treasury shares under paragraph 12.09 of the Main LR will be based on the total number of issued shares of the listed corporation adjusted pursuant to a corporate exercise. Hence, in this case, the maximum limit of its own shares that *B Bhd* may purchase in year 2017 is 10 million based on its total number of issued shares adjusted pursuant to the corporate exercise in August 2017. In view of the 3 million shares purchased in February 2017, *B Bhd* may purchase an additional 7 million of its own shares for the remaining period in year 2017.

- 12.6A** Is a listed corporation required to lodge a solvency statement made pursuant to section 113 of the Companies Act 2016 with the Exchange?

No, a listed corporation is not required to lodge the solvency statement with the Exchange.

- 12.7** What does “cost of purchase” in paragraph 12.18(b)(ii) of the Main LR refer to?

The “cost of purchase” refers to the amount paid by the listed corporation for the shares, which includes the transaction costs.

- 12.8** *M Bhd*, a listed corporation purchases 10,000 of its own shares in January 2010 and keeps them as treasury shares. Subsequently, *M Bhd* wishes to sell the treasury shares on 12 March 2010 (i.e. more than 30 days from the date of purchase, in accordance with paragraph 12.18 of the Main LR). The weighted average market price of *M Bhd*’s shares for the 5 market days preceding the resale on 12 March 2010 (“5 days weighted average market price”) is RM2.00. Can *M Bhd* sell its treasury shares at RM1.60 on 12 March 2010?

No, *M Bhd* is not permitted to sell its treasury shares at RM1.60 on 12 March 2010. The price of RM1.60 represents a discount of 20% from the 5 days weighted average market price of RM2.00, which exceeds the 5% discount on the 5 days weighted average market price immediately before 12 March 2010. According to paragraph 12.18 of the Main LR, a listed corporation may only sell its treasury shares at a discount if the discount is not more than 5% of the 5 days weighted average market price.

- 12.9** *N Bhd*, a listed corporation purchases 15,000 of its own shares in January 2010 and keeps them as treasury shares. Subsequently, *N Bhd* wishes to sell the treasury shares on 19 March 2010 (i.e. more than 30 days from the date of purchase, in accordance with paragraph 12.18 of the Main LR). The 5 days weighted average market price of *N Bhd*’s shares immediately before 19 March 2010 is RM3.20. Can *N Bhd* sell its treasury shares at RM3.10 on 19 March 2010?

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Yes, N Bhd may sell its treasury shares at RM3.10 on 19 March 2010 provided that the price of RM3.10 is not less than the cost of purchase of the shares being sold. In fact, N Bhd may sell its treasury shares at any price not less than RM3.04 on 19 March 2010, which represents a discount of not more than 5% from the 5 days weighted average market price of RM3.20 immediately before 19 March 2010 provided that the price is not less than the cost of purchase of the shares being resold.

12.10 When can a SPAC which has completed a qualifying acquisition purchase its own shares?

Pursuant to paragraph 12.25 of the Main LR, a SPAC can only purchase its own shares after it has fully paid or satisfied the consideration of the qualifying acquisition and the ownership of the assets acquired by the SPAC is beneficially and legally vested in the SPAC.