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

**CHAPTER 12 – SHARE BUY-BACKS**

**12.1 Under the ACE LR, can all listed corporations undertake a share buy-back?**

No, listed corporations may undertake a share buy-back only after their Sponsorship Period, provided that they fulfill the conditions set out under Chapter 12 of the ACE LR, including procuring their shareholder approval for the share buy-back.

**12.2 [Deleted]**

**12.3 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 Rule 12.06(1) of the ACE 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 ACE LR.

**12.4 Under Rule 7.15 of the ACE 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.

**12.5 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 Rule 12.09 of the ACE 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.

**12.6 Based on the same facts as in Question 12.5 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 Rule 12.09 of the ACE LR, A Bhd may purchase an additional 5 million of its own shares for the remaining period in year 2017.

- 12.7 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 Rule 12.09 of the ACE 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.

- 12.7A 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.

- 12.8 What does “cost of purchase” in Rule 12.18(b)(ii) of the ACE LR refer to?**

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

- 12.9 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 Rule 12.18 of the ACE 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 10 March 2010. According to Rule 12.18 of the ACE 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.

- 12.10 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 Rule 12.18 of the ACE 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?**

**Chapter 12 Share Buy-Backs**  
**[Questions & Answers]**

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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.