

Shareholders' mandate for issue of shares or resale of treasury shares

1. A listed issuer proposes to seek shareholders' approval for a bonus issue of shares at the forthcoming annual general meeting. Can the listed issuer take into account such bonus issue when determining the maximum number of shares that are allowed to be issued, or sold or transferred out of treasury under a new general mandate proposed at the same general meeting?

No, because the bonus shares are not yet issued at the time when the listed issuer seeks shareholders' approval for the new general mandate.

MB Rule 13.36(2)(b)

GEM Rule 17.41(2)

First released: November 2008; last updated: [May-June 2024](#)

2. Please explain the top-up arrangement for refreshment of general mandate after a pre-emptive issue of securities.

A listed issuer may seek shareholders' approval to top-up the unused portion of its previous general mandate based on the number of enlarged issued shares (excluding treasury shares) - capital. They can top up to the number of shares so that, in percentage terms, the unused part of the general mandate before and after the pre-emptive issue of securities is the same.

Example:

Existing issued shares capital(excluding treasury shares):

100,000 shares

General mandate before placing:

20,000 shares (20%)

Placing of shares under the general mandate:

5,000 shares

Issued shares (excluding treasury shares) capital after placing:

105,000 shares

Unused general mandate:

15,000 shares (15% of 100,000 shares)

New shares issued under a 1 for 2 rights issue:

52,500 shares

Issued shares (excluding treasury shares) - capital after right issue:

157,500 shares

Shareholders' approval will be required to top-up the general mandate from 15,000 to 23,625 shares (15% of 157,500 shares). Independent shareholders' approval will be required for an additional mandate for 7,875 shares (i.e. 5% of 157,500 shares).

MB Rule 13.36(4)(e)

GEM Rule 17.42A(5)

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3. **Does the price discount limit under MB Rule 13.36(5) / GEM Rule 17.42B apply if a listed issuer proposes to issue new shares or resell treasury shares under a general mandate to settle the amount due to a creditor?**

Yes. The proposal is in substance an issue of new shares or a resale of treasury shares for cash consideration.

MB Rule 13.36(5)

GEM Rule 17.42B

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4. **For a placing of new shares on a best effort basis under general mandate, is the listed issuer required to re-comply with the pricing requirement under MB Rule 13.36(5) / GEM Rule 17.42B if it extends the long stop date of the original agreement to give the placing agent additional time to procure potential investors to take up the new shares?**

Yes. Such extension would constitute a material change to the original agreement and the listed issuer must ensure that the placing price could meet the pricing requirement with reference to the benchmarked price of the shares at the time of the extension.

MB Rule 13.36(5)

GEM Rule 17.42B

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