

PREFERENCE SHARES. STEPS TO ISSUE, REDEEM AND CONVERT

COURSE INTRODUCTION

A company may raise working capital by the traditional way of issuing ordinary shares. However, the return on such investments may not be attractive enough for certain type of investors who would prefer fixed dividends and return of capital at an earlier period. Unlike ordinary shares, preference shares give the investors greater upside potential and a level of downside protection in return for their investments. The Companies (Amendment) Act 2019 ("the Act") has introduced a new redemption method for preference shares i.e. redemption out of capital of the company which enables a company to redeem the preference shares even though there is insufficient profit. This proves advantageous as the company can still commit to the return of capital without the need to undertake a capital reduction exercise to return the preference capital.

COURSE OBJECTIVES

This course will guide participants on the regulations surrounding the issuance and redemption or conversion of preference shares and its use as a financial instrument. The different rights attached to the preference shares would be explained with illustration to enable the participants to appreciate the strategic considerations for the issuance of preference shares. This course will review the steps to undertake on issuance of such preference shares. It will provide participants with a better understanding on how to choose the three different manners of redemption as provided in the Act.

COURSE CONTENTS

- Strategic consideration for issuance of preference shares – advantages and disadvantages.
- Types of preference shares – cumulative, redeemable, participative and convertible.
- Variation of rights of preference shares.
- Differentiating the classification of preference shares as equity or liability.
- Step by step guide to issuance of preference shares including determination of the rights.
- Step by step guide to redemption of preference shares.
- Step by step guide to conversion of preference shares.

LEARNING OUTCOME

By attending this course, the participants will be able to:

- Understand the use of preference shares and the reason companies would opt for such issuance.
- Learn the statutory requirements for the issuance and redemption of the preference shares.
- Differentiate the conversion of preference shares to redemption.
- Completion of the various statutory notifications to be made to the Registrar of Companies.

WHO SHOULD ATTEND

Company secretaries, company secretarial assistants, company directors, lawyers, accountants and corporate consultants.

ABOUT THE TRAINER

Leong Oi Wah is a Fellow Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and has more than 30 years of experience in handling corporate secretarial matters in the profession and the corporate sector.

Oi Wah is also involved in advisory on corporate secretarial requirements including corporate restructuring and compliance with various regulatory bodies such as the Registrar of Companies, Bursa Malaysia Securities Berhad, Securities Commission and other authorities. She is an approved trainer with Pembangunan Sumber Manusia Berhad and does regular training for the Companies Commission Malaysia Training Academy and other professional bodies.

ADMINISTRATIVE DETAILS		
DATE	PLATFORM	EVENT CODE
08 June 2021	Webinar @ Microsoft Teams	066/21/CEP/WEB
21 October 2021	Webinar @ Microsoft Teams	142/21/CEP/WEB
Time	9.00 a.m. - 5.00 p.m.	
Training Methodology	Lecture and Case Discussion	
Fee	RM500.00 RM400.00	Standard Licensed Secretary. Member of MAICSA, MIA, Malaysian Bar, MACS, MICPA, Sabah Law Assoc. & Advocates Assoc. of Sarawak.
CPE points	8	