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# CCS Insights

## 赎回优先股的会计处理 - 以利润赎回

### Accounting for Redemption Of Preference Share - out of the profits


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## 2016年公司法令

### Companies Act 2016



- 2016年公司法令第72(4)条文仅允许可赎回的优先股在全额支付的情况下才能被赎回。
- 这种回购的会计处理可能很棘手，需要考虑大量合法性，其中一些显而易见，而另一些则不然。
- Section 72(4) of Companies Act 2016 only allows redeemable preference shares to be redeemed if they are fully paid.
- The accounting for such buy-backs can be tricky and there is a whole host of legalities to consider – some of which are obvious whereas others not so.

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## 赎回的方法总共有三种

### Redemption may take one of Three (3) ways

- If it is authorized by its constitution, a company may issue preference shares which is liable or at the option of the company are to be liable, to be redeemed in accordance with the constitution.
- A company can redeem redeemable shares:
  - out of profits;
  - from the proceeds of a new issue of shares; or
  - out of capital.



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## Example 1

	RM
Cash at bank	40,000
Ordinary share capital	10,000
Redeemable preference shares	8,000
Retained earnings	22,000
	40,000

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## 以利润赎回

### Redemption out of the profits



- The accounting for such would be as follows:

	RM	RM
DR Preference Shares capital	8,000	
CR Cash at bank		8,000
DR Retained earnings	8,000	
CR Ordinary share capital		8,000




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## 以利润赎回

### Redemption out of the profits



- Preference Share redeemed – maintain share capital
- Company's balance sheet will now look like this:

	RM
Cash at bank	32,000
Ordinary share capital	18,000
Retained earnings	14,000
	32,000



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