

Share Bonus Issue

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Issue of new shares to existing shareholders at no cost

Example

Rencoe Ltd has 200,000 shares in issue. How many bonus shares will be granted and how many total shares if the arrangement is:

	Shares Issued	Total Shares
1 for 1	200,000	400,000
1 for 5	40,000	240,000
1 for 10	20,000	220,000
2 for 1	400,000	600,000
5 for 2	500,000	700,000

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Example

Paul holds 400 shares in Beatles Corporation, when a 1 for 4 bonus issue is announced. If the price of Paul's shares immediately after the bonus issue is HKD4.40, what is the share price immediately before the share issue?

	Shares Issued	Price per Share	Total Value
Original	4	HK\$5.50	HK\$22
Bonus issue	1	HK\$0	HK\$0
Total	5	HK\$4.40	HK\$22

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