

Listing Rules (Second Board) of the Maldives Stock Exchange

Amended on 25th October 2009


Approved by: Mariyam Visam


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LISTING RULES (SECOND BOARD LISTING RULES)

FOREWORD

These rules are made by the MSE in accordance with the powers vested in it by section 24 of the Securities Act (2/2006).

These rules govern the admission of securities to the official list, quotation of securities, and disclosure. A listed company must agree to abide by the listing rules to gain admission to the official list and to remain listed. These rules create obligations, which are additional and complementary to statute.

The MSE has discretion to accept or reject any listing application in the administration of these rules, subject to approval from the CMDA. Companies listed on the Second Board are expected to comply with the spirit and the letter of these rules.

1. CRITERIA FOR ADMISSION TO THE SECOND BOARD

Every application for listing will be considered on its own merits. Its acceptance or rejection shall be at the discretion of the MSE who may require that the application, or any of the documents accompanying it, be amended.

1.1 METHODS OF LISTING

A company may obtain a listing for a security on the Second Board by one, or a combination of more than one, of the methods described below:-

a. Offer for Subscription

An offer for subscription is an offer to the public by a company of its own securities.

b. Offer for Sale

An offer for sale is an offer to the public of securities by one or more of the existing holders of securities.

1.2 EQUITY

An application for a listing of equity on the Second Board may be considered if the company meets with the following criteria:

- a) It has an issued and paid up capital of a minimum of Mrf.1,000,000.
- b) The shareholders funds are the same or greater than its equity.

1.3 DEBT

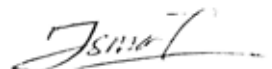
An application for a listing of debentures on the Second Board may be considered for such a listing depending whether the security is secured by collateral or guaranteed as regards payment of interest and return of capital.

1.4 MEMORANDUM & ARTICLES OF ASSOCIATION

Companies seeking admission of securities to the Second Board of the MSE shall be required to incorporate into their Memorandum and Articles of Association provisions which are set out elsewhere in these rules.

1.5 LISTING UNDERTAKING

Companies applying for listing their securities on the Second Board of MSE shall enter into an undertaking with the MSE under the common seal of the company to comply with the following:



- (a) The Second Board Listing Rules of the MSE and any amendments that are brought to it from time to time.
- (b) That it shall not, without the prior approval of the MSE withdraw its listing.

The format of the listing undertaking required under this section is in Appendix 1.

1.6 INITIAL LISTING APPLICATION FOR INCLUSION ON THE SECOND BOARD

Companies seeking admission of their securities to the Second Board shall submit an application for initial listing on the Second Board in accordance with Section 2 of these rules.

1.7 PROSPECTUS

A company seeking a listing on the Second Board for its securities shall publish a prospectus which shall comply with the prospectus requirements of the Companies Act.

1.8 OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The opening and closing date of the list for subscribers shall be determined in consultation with and after obtaining the approval of the MSE and CMDA.

1.9 ALLOTMENT OF SECURITIES

The policy on allotment of shares and the time frame for allotment thereof shall be determined in consultation with and after obtaining the approval of the MSE and CMDA.

1.10 UNDERWRITING

Where an issue is stated as underwritten, the entity who underwrote the issue shall furnish evidence of its financial capability to purchase the shares in the event, it is called to do so. An entity who underwrites securities shall be a bank authorised by the Maldives Monetary Authority or an institution duly authorized by the CMDA.

In the event the issue is not underwritten, the prospectus should state what action the issuer will take to obtain alternate funding to proceed with the project in the event of an under subscription.

1.11 Listing of Entire Class

A company seeking a listing of securities on the Second Board should seek a listing for all the securities of the class for which a listing is sought.

2. INITIAL LISTING APPLICATION SEEKING A LISTING ON THE SECOND BOARD

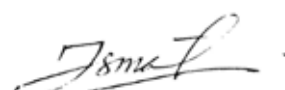
2.1 GENERAL

A company wishing to list shall complete Appendix 1 and appendix 2, and shall submit it to MSE. The company shall not open the subscription list until MSE has given its approval.

MSE has the authority to refuse listing of securities of a company which has breached these rules, the provisions of the Maldives Securities Act, the Companies Act.

In the event, after the date of closure of prospectus but during the duration of subscription, an event occurs which might have an effect on the price of the security opened for subscription, the company shall disclose details of the event/occurrence to MSE and make a public announcement forthwith, to give the information to the general public.

The listing process for the Second Board pertaining to an offer for sale or offer for subscription is as follows:



- a) Listing application together with the supporting papers shall be submitted to the MSE for evaluation and decision.
- b) The MSE may grant approval following evaluation of such application.
- c) Copies of prospectus and application forms shall be made available to the public at least fourteen (14) market days before the date of opening of the subscription list.
- d) The company shall inform the MSE and CMDA immediately if the issue is oversubscribed at any time before the closing date of the subscription list.
- e) In the event of over subscription, the company shall make the allotment within Fourteen (14) market days of the closure of the issue on the basis of policy set out in the prospectus.
- f) The company shall make refunds due to over subscription and rejection of applications for securities within Thirty (30) market days from the date of closure of the issue. Applicants shall be entitled to the bank rate of interest on any refunds not made within this period.
- g) The company shall issue securities pursuant to the allotment by depositing directly in the Maldives Securities Depository (MSD) within twenty (20) market days of the date of closure of the subscription list.

Within five (5) market days upon receiving confirmation from MSD, the company will have to inform the shareholders of the lodgement of shares into MSD accounts by way of public announcement. The company shall also notify the shareholders in writing the allotted number of shares and MSD account number of the shareholder.

Shareholders may request for share certificates at MSD. In such an event, the company shall issue share certificates to the shareholders via MSD.

- h) The securities shall be admitted to the official list of the MSE on the fifth (05) market day upon receipt of confirmation of dispatch of certificates by the MSE or direct deposit in the MSD.

2.2 PROCEDURE FOR INITIAL LISTING ON THE SECOND BOARD

2.2.1 A completed initial listing application prepared in accordance with Appendix 2, and the following documents shall be submitted to the MSE:

2.2-2 Supporting documents to be furnished with the application

The following supporting documents shall accompany the application for a listing.

- i. A certified copy of the Memorandum and Articles of Association in both Dhivehi and English.
- ii. A certified copy of the certificate of incorporation and the certificate to commence business, if any.
- iii. A draft of the proposed prospectus the contents and form of which shall comply with and include the requirements laid down in the Companies Act and the prospectus regulations.

The MSE may at its own discretion recommend any additions as it deems fit over and above the requirements set forth in the Companies Act, and require the company to submit such application subject to such amendments.
- iv. Listing undertaking: in the form set out in Appendix 1 duly executed under the common seal of the company.
- v. A copy of the signed agreement with the Maldives Securities Depository (MSD) for demat trading.

3. CONTINUING LISTING REQUIREMENTS

While a company remains as a listed company, it shall comply with the following requirements and such requirements as may be introduced from time to time by the MSE. It is the duty of the board of directors to guarantee that the Company is complying with the rules during the time the securities of the company is listed on the second board.

3.1 CIRCULATION OF ANNUAL REPORT

- (a) The company shall prepare the Annual Report and make it available to the public within 4 (*four*) months from the close of the financial year. The company shall submit the Annual Report in writing to MSE and CMDA 10 (*ten*) working days before it is made available to the public. The audited accounts shall be prepared and presented in accordance with International Accounting Standards. Where the company is holding/parent company the financial statements should include a Profit and Loss statement and a Balance Sheet both for the company and for the group.
- (b) The Annual General Meeting shall be held within 5 (*five*) months of the end of the financial year.

3.2 CONTENTS OF ANNUAL REPORT

A company must include in its Annual Report and accounts;

- a) Names of persons who were during the financial year Directors of the company.
- b) Principal activities of the company and its subsidiaries during the year and any changes therein.
- c) Details on share allocation.
- d) Document pertaining to corporate governance policies adopted by the company and details of corporate governance measures undertaken.
- e) The following financial and securities information.

Equity

- i. Earnings per Share
- ii. Dividend per share
- iii. Net assets value per share
- iv. Market value per share
 - Highest and lowest values recorded during the financial year
 - Value as at end of financial year

Debt (only if quoted)

- i. Debt/equity ratio
- ii. Interest cover
- iii. The market prices during the year (ex interest)
 - Highest Price
 - Lowest Price
 - Last traded price (as at DD/MM/YY)
- iv. Interest yield as at date of last trade (DD/MM/YY)

3.2 Share Transfer of securities listed on the second board

- (a) All Transfer of listed securities shall be through the Maldives Securities Depository.
- (b) All off market share transfers of listed securities of a public listed company shall comply with the Off Market Securities Transfer Rules of CMDA.



3.3 Notification of Books close Dates

All listed companies will publicly announce events to which registered members have rights of participation. The announcement will include the date and time that the register of members will close for the purposes of determining which members are entitled to participate (to be known as the books close date). The company will deliver a copy of the announcement to the Stock Exchange and the CMDA on the day the announcement is made. Announcements must be made at least 7 days before the books close date.

3.4 Dividends payable from profits only

- (a) No dividend shall be payable to the share-holders of a listed company except out of profits.
- (b) Profit' for the purpose of Section shall mean, profit realised during the year/period and retained earnings to the extent not previously distributed or capitalised, less accumulated losses.

SECTION 4

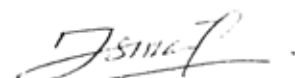
ADDITIONAL LISTING APPLICATIONS FOR SECOND BOARD

4.1 GENERAL

- 4.1.1 A company is not permitted to issue additional securities of a class for which a quotation has been obtained for the second board from the MSE or any securities with rights of conversion to securities of a class for which a quotation has been obtained until the company has submitted an additional listing application for the second board and such application has been approved by the MSE.
- 4.1.2 Additional listing application for the second board must be prepared in the format specified in Appendix 3.
- 4.1.3 The following documents have to be attached to the application:-
 - a. A draft copy of the circular to shareholders.
 - b. Specimen of the:
 - i. Provisional letter of allotment / Letter of allotment
 - ii. Letter of acceptance and registration.
 - iii. Form of renunciation if the right of renunciation is given.
 - iv. Form of application for additional securities, in case of a rights issue, if this right is to be given.
 - v. Share certificate.
 - c. A certified copy of the board resolution authorizing the issue.
 - d. A certified copy of the memorandum & articles of association.
 - e. A statement of the last audited financial statements of the company.
- 4.1.4 The latest audited financial statements should also accompany the application.

4.2 RIGHTS ISSUES

A company intending to make a rights issue shall immediately notify the MSE and submit the application within seven (7) market days from the date of notification. Following submission of the application, the matters relating to the issue shall be conducted in accordance with the guidance given by the MSE.



4.3 BONUS ISSUES

A company intending to make a bonus issue shall immediately notify the MSE and submit the application within seven (7) market days from the date of notification. Following submission of the application, the matters relating to the issue shall be conducted in accordance with the guidance given by the MSE.

4.4 A further issue of equity or securities with a right of conversion to equity, to persons other than existing holders shall require the approval of the MSE and shall be sanctioned by a special resolution passed at a general meeting of the members of the company.

SECTION 5

CORPORATE DISCLOSURE

5.1 IMMEDIATE DISCLOSURE OF MATERIAL INFORMATION

(i) Immediate disclosure should be made of information about the affairs of a company listed on the second board or about events or conditions in the market for the securities of the company in either of the following circumstances:

- a. Where the information is likely to have a significant effect on the price of any of the quoted securities of the company listed on the second board, or
- b. Where such information is likely to be considered important, by a reasonable investor in determining his choice of investment.

(ii) Information mentioned above shall be communicated to the MSE in writing, signed by an authorized officer of the Company.

5.2 A company shall take reasonable steps to clarify or confirm any rumors pertaining to the company. A listed company should respond promptly to any inquiries made by the MSE and CMDA concerning a request for information.

5.3 TRADING BY CONNECTED PERSONS

Connected persons should not trade on the basis of material information that is unknown to the investing public. Moreover, connected persons should refrain from trading even if the information has been released to the MSE for a period of at least 2 market days, to permit thorough public dissemination and evaluation of the information. In computing this period of 2 market days, the day on which disclosure is made will be excluded.

SECTION 6

CORPORATE GOVERNANCE

6.1 All companies listed on the second board are required to comply with the corporate governance code ratified by this Authority effective from 1st January 2009.

SECTION 7

LISTING FEES

7.1 Annual Listing Fee

All companies whose securities are listed on the second board shall pay an annual fee to the MSE within 30 days from the invoice date in each calendar year.



SECTION 8
ENFORCEMENT

8.1 In the event of any violation and/or non-compliance with any of the listing requirements, the following actions may be taken by the MSE subject to CMDA prior approval:

- suspend trading of securities of such company
- If non compliance or violation persists delist the securities of such company from the second board
- impose any other condition on such company as they deem fit in addition to any other action that the MSE may take against such violation and/or non-compliance.
- Report action taken to the CMDA immediately

8.2 In the event of any violation of the following continuing listing requirements of the MSE, the companies shall pay to the MSE the fine prescribed below:

Delays in dispatching audited accounts: **MRF 500 per day**

8.3 TRADING HALTS AND SUSPENSIONS

The CMDA may at its discretion impose a trading halt on the securities of a listed company in the following instances.

1. Prior to an announcement of any price sensitive information.
2. Pending obtaining a clarification from the company on a rumour/report
3. When an unusual movement in price/volume of a security is noted.
4. If the MSE or CMDA deems it necessary for the purpose of disseminating information.

The MSE will immediately inform CMDA. The duration of a trading halt will be determined by the MSE in consultation with CMDA and may be extended beyond one market day.

SECTION 9

TRANSFER OF A COMPANY LISTED ON THE SECOND BOARD TO THE FIRST BOARD

9.1 (a) A company listed on the second board shall be transferred to the first board provided the following conditions are satisfied.

1. The Company has been listed on the second board for a period of not less than 1 year and the company has continued their business in accordance with the prospectus issued to the public.
2. The requirements set for the first board are satisfied.

(b) A company listed on the second board which satisfies the requirements set forth in sub-section (a) may make an application under the first board listing rules to be included on the first board.



APPENDIX 1:

UNDERTAKING REQUIRED TO BE GIVEN BY A COMPANY AT THE TIME OF ADMISSION OF ITS SECURITIES TO THE OFFICIAL LIST

To:
Maldives Stock Exchange

We
(Name of entity)

of.
(Address)

in consideration of the Maldives Stock Exchange ("the MSE") granting the company's application for admission of its securities to the official list of the MSE ("the official list") and for official quotation of the securities, we HEREBY ACKNOWLEDGE that the securities shall remain on the official list, and official listing of any of the company's securities shall be continued at the will and pleasure of the MSE and HEREBY UNDERTAKE AND AGREE to comply with the listing requirements of the MSE and be bound by the rules of the MSE and CMDA which shall be in force from time to time in so far as the same shall apply to the company.

We further undertake that securities of the company shall not be withdrawn from the official list without prior approval of the MSE.

Given under the common seal of the company this day of 20--.

.....
(Name and signature) Director

(Name and signature) Director

Date:.....



INITIAL LISTING APPLICATION

Name of company :.....

Address:.....

Date:.....

To:
The Manager
Maldives Stock Exchange

Dear Sir:

APPLICATION FOR A QUOTATION OF SECURITIES

We hereby apply for a quotation for the under-mentioned securities issued/to be issued by this company and agree and undertake in the event of our application being accepted to conform to the rules of the MSE and CMDA and any amendments that may be made thereto from time to time.

The particulars of securities to be quoted are as follows:

- Type of securities (e.g. shares, debentures etc):
- Number of securities to be quoted:
- Number of securities to be offered to the public:
- State type of offering (e.g. Offer for subscription, Offer for Sale):

The particulars of the entity are as follows:

- Name of company:
- Date of incorporation:
- Place of incorporation:
- Address of registered office:
- Authorized capital:
- Issued capital
- Capital proposed to be issued by this offering
- Names and addresses of all directors
- This application is accompanied by the relevant documents (*)
- The particulars contained herein and in the attached documents are correct.

Yours faithfully,

..... PLC

.....
Name and Signature of Director

(*) List of relevant documents is given in rule 26 of this section.

Name of company:
Address :
Date :

To:

Manager
Maldives Stock Exchange

Dear Sir/Madam:

Application for an additional listing

We hereby apply for a quotation for the under mentioned securities issued by this company and agree and undertake in the event of our application being accepted to conform to the rules of the MSE and CMDA and any amendments that may be made thereto from time to time .

The particulars of securities to be quoted are as follows:

Type of securities to be quoted: (e.g. shares, debentures, etc)
Number of securities to be quoted:
State type of offering (e.g. rights, bonus, etc :)

The particulars of capital are as follows

Authorized capital:
Unissued capital:
Issued capital: (excluding that for which the present application is made)

The shares will become identical in all respects with existing shares (if not identical give details)

The particulars contained herein are correct.

Yours faithfully,

.....PLC

.....
Name and Signature of Director/Secretary

APPENDIX 4 AFFIDAVIT OF COMPLIANCE

We.....
and.....directors ofplc (hereinafter called "The company") do
solemnly and sincerely declare/make oath and state as follows:

1. That all documents required by the Companies Act to be filed with the Registrar of Companies in respect of the company have been duly filed and that compliance has been made with all other legal requirements in connection with the issue/offer of its securities.
2. Thatshares/debentures of MRF.....each has been subscribed for cash and duly allotted/transferred to the subscribers.
3. That the issue/offer price was as follows (and all money due to the company in respect thereof has been received by it).

(Here give details of shares/debenture comprised in the issue,
namely number, class, nominal amount, issue/offer price).

4. That the shareholders have been informed of the lodgement of securities into MSD accounts.
5. *That completion has taken place of the purchase by the company of all property shown in any prospectus or circular to members to have been purchased or agreed to be purchased by it and that the purchase consideration for all such property has been duly satisfied.
6. That all the further shares of each class for which quotation have been granted are in all respects identical with those that were already quoted.
7. That there is no other fact bearing on the company's application for quotation which, in our opinion, should be disclosed to MSE.

Sworn/Declared at.....this.....day of20.....

* To be adapted as necessary

