

Listing Rules (Main Board) of the Maldives Stock Exchange

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FOREWORD

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

The listing 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. The listing rules create obligations, which are additional and complementary to statute.

The MSE will, subject to CMDA approval accept or reject any listing application and in the administration of these rules. Listed companies are expected to comply with the spirit and the letter of the Listing rules.

This is the Listing Rules adopted and ratified in the 16th Meeting (24th December 2006) of the Board of Directors of the Capital Market Development Authority and adopted by the MSE at inception.

SECTION 1 - CRITERIA FOR ADMISSION

MSE Discretion

1. 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.

Methods of Listing

2. A company may obtain a listing for a security 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.
 - c) **Introduction:** An Introduction is where the MSE would grant a security issued by a company a listing without the requirement of a public offering of its securities. The listing by way of an Introduction shall be considered by the MSE only in very exceptional circumstances.

Equity

3. An application for a listing of equity 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.5,000,000.
 - b) The shareholders funds are the same or greater than its equity.

Debt

4. An application for a listing of debentures 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.

Memorandum & Articles of Association

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

Listing Undertaking

6. Companies applying for listing their securities on the MSE shall enter into an undertaking with the MSE under the common seal of the company to comply with all the Listing Rules of the MSE which shall be in force from time to time and that it shall not, without the prior approval of the MSE withdraw its listing. The format of the listing undertaking is in Appendix 1A of this section.

Initial Listing Application

7. Companies seeking admission of their securities to the official list shall submit an application for initial listing in accordance with Section 2 of these rules.

Prospectus

8. A company seeking a listing for its securities shall issue a prospectus which shall comply with the prospectus requirements of the Companies Act.

Opening and Closing of the Subscription List

9. The list for subscribers shall not be kept open for more than thirty five (35) market days from the date of opening. However, the MSE may extend this period in appropriate circumstances where it is in the best interests of the Market.

Allotment of Securities

10. Allotment against applications for securities offered to the public shall be made fairly. In the event of an over-subscription, the basis of allotment shall be determined within fourteen market days of the closure of the issue in consultation and in agreement with the MSE.

11. The company shall allot the securities as soon as the basis of allotment is determined.

Underwriting

12. 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 an institution duly authorized by the CMDA.
13. 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.

Listing of Entire Class

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

SECTION 2 - INITIAL LISTING APPLICATION

General

15. A company wishing to list shall complete the initial listing application (found in Appendix 2A) and the form in appendix 1A, and shall submit it to the MSE. The company shall not open the subscription list until the MSE has given its approval.
16. MSE has the authority to refuse the listing of securities of a company which has breached the listing rules, the Maldives Securities Act, the Companies Act or any regulations made thereunder.
17. 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 the MSE and make a public announcement to give the information to the general public.

Listing for Offer for Sale or Offer for Subscription

18. The listing process for an Offer for Sale or Offer for Subscription is as follows:
 - a) Such 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.
19. Cheques in respect of applications for shares shall not be banked until after the closure of the subscription list.
20. The company shall inform the MSE immediately if the issue is oversubscribed at any time before the closing date of the subscription list, and the subscription list shall be closed on the same day at 2:30 p.m. in consultation and agreement with the MSE.
21. In the event of over subscription, the company shall decide the basis of allotment in consultation and in agreement with MSE within Fourteen (14) market days of the closure of the issue.
22. 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.
23. The company shall issue securities pursuant to the allotment by dispatching the certificates within a period of Forty (40) market days from the date of closure of the subscription list and confirm such dispatch in writing to the MSE. As an alternative, the securities may be deposited directly in the Maldives Securities Depository (MSD) within twenty (20) market days and in such an event, the company will not have to issue share certificates for such securities. .
24. 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.

Procedure for Initial Listing

25. Each initial application for listing shall consist of the following:

- a) the application prepared in accordance with appendix 2A.
- b) the separate supporting documents specified in section 26.

Supporting Documents

26. The following supporting documents shall accompany the application for a listing.
- a) A certified copy of the Memorandum and Articles of Association in both Dhivehi and English.
 - b) A certified copy of the certificate of incorporation and the certificate to commence business, if any.
 - c) 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. (Provided that the MSE may at its own discretion recommend any additions as it deems fit and approve such application subject to such amendments).
 - d) An undertaking in the form set out in appendix 1A of Section one of the rules duly executed under the common seal of the company.
 - e) A copy of the signed agreement with the securities Depository (MSD) for demat trading.

SECTION 3 - CONTINUING LISTING REQUIREMENTS

Ongoing Requirements

27. 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.

Circulation of Annual Report

28. The company shall prepare the Annual Report and make it available to the MSE and to the CMDA and to any shareholder upon request within 5 months from the close of the financial year. The audited accounts shall be prepared and presented in accordance with International Accounting Standards. Where the company is a holding/parent companies the financial statements should include a Profit and Loss statement and a Balance Sheet both for the company and for the group.

Contents of Annual Report

29. 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) The percentage of shares held by the public.
 - d) Document pertaining to corporate governance policies adopted by the company.
 - e) Details of corporate governance measures undertaken.

- f) 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
- v) Highest and lowest values recorded during the financial year
- vi) 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)
- iv) Highest Price
- v) Lowest Price
- vi) Last traded price (as at DD/MM/YY)
- vii) Interest yield as at date of last trade (DD/MM/YY)

General

- 30. All companies whose securities are listed in the MSE regardless of whether such companies have executed any undertaking to be bound by these requirements or not, shall be bound by these requirements and any additions alterations or amendments to such requirements as may be made from time to time.
- 31. It is the duty of the Board of Directors of a company to ensure that all the requirements are met on a continuing basis so long as the securities remain on the official list of the MSE.

Share Transfer of Listed Securities

- 32. All transfers of listed securities shall be through the Maldives Securities Depository.
- 33. All off market share transfers except those declared by a Court of competent jurisdiction in the Maldives shall be carried out only after obtaining authorization from the Capital Market Development Authority.

SECTION 4 - ADDITIONAL LISTING APPLICATIONS

General

- 34. Compliance with the requirements laid down in these rules may not of itself ensure approval of the additional listing application. Each application shall be considered on its individual merits. The requirements of this section are not exhaustive. The MSE reserves the right to impose such conditions as it may think proper. The disclosure of additional information, according to the particular nature of the issuer and of the securities for which a quotation is sought, shall be included to the extent necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to such securities, notwithstanding the fact that such information is not specifically required by this section or any other section of these rules

35. A company is not permitted to issue additional securities of a class for which a quotation has been obtained 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 and such application has been approved by the MSE.
36. Additional listing application must be prepared in the format specified in appendix 3A.
37. The following documents shall be attached to the application:-
- a) A draft copy of the circular to shareholders.
 - b) a 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.
38. The latest audited financial statements should also accompany the application.

Rights Issues

39. A company intending to make 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, any requests by the MSE for further information or for any amendments to the application shall be dealt with by the company expeditiously.
40. No dates shall be fixed for closing of books, entitlement, provisional allotment, splitting and renunciation until the application for such an issue is approved by the MSE.
41. Provisional allotment in the case of a rights issue shall be at least 10 market days after receiving approval from the MSE but not later than forty (40) market days.
42. Cheques in respect of applications for additional securities shall not be banked until after the last date for renunciation.
43. In the event of an oversubscription, the company shall decide the basis of allotment in consultation and agreement with the MSE within fourteen (14) market days from the last date of renunciation.
44. Refund cheque on applications for additional securities shall be dispatched to the shareholders within (Thirty) 30 market days from the last date of renunciation. Applicants will be entitled to the bank rate of interest on refunds not made within this period.
45. The Share Certificates shall be dispatched within forty (40) market days from the last date of renunciation and confirm such Dispatch by submitting the affidavit of compliance to the MSE (Appendix 3B) In the alternative, the securities maybe deposited directly in the Maldives Securities Depository (MSD) within Twenty (20) market days.

46. A rights issue once announced cannot be cancelled or varied except with the prior permission of the MSE. Such permission will not be granted by the MSE except in instances where no trading has taken place in the securities concerned between the date of announcement of the rights issue and the date on which the request for cancellation or variation is made or in other exceptional circumstances.

Contents of Offering Circular for a Rights Issue

47. The offering circular for a rights issue shall include:
- a) the date of the circular ;
 - b) the reasons & purpose of the issue: this shall include:
 - i) a statement or an estimate of the net proceeds of the issue; and
 - ii) a statement as to how the proceeds are intended to be applied.
 - c) the last traded price of a share;
 - d) a description of the history and business of the company.

Bonus Issues

48. The following procedure shall be followed by a company proceeding with a bonus issue.
- a) The company shall inform the MSE immediately after the meeting as to the intention of the Board to proceed with a Bonus Issue.
 - b) The company shall submit the application to the MSE within seven (07) market days from the date of notification.
 - c) The company shall hold an EGM (meeting other than the AGM) and shall allot the securities within forty (40) market days from the date of approval by the MSE.
49. The share certificate shall be dispatched within forty (40) market days from the last date of renunciation or if a renunciation facility is not given, from the date of allotment and the company shall confirm such dispatch by submitting the affidavit of compliance to the MSE (Appendix 3B). As an alternative, the securities may be deposited directly in the Maldives Securities Depository (MSD) within twenty (20) market days.

Letter of Allotment, Form of Acceptance and Registration and Form of Renunciation.

50. If renunciation facilities are given, letters of allotment shall contain provision for splitting. Split letters shall be certified by an official of the company or the registrars to the issue.
51. Where a right of renunciation is given the period for renunciation shall be twenty one (21) days from the date of issue of the letters of allotment/provisional letters of allotment while the period for splitting shall not exceed fourteen (14) days provided that such time periods may be extended in exceptional circumstances, to a maximum of six (6) weeks and three (3) weeks respectively.

Further Issues

52. 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 CMDA and shall be sanctioned by a special resolution passed at a general meeting of the members of the company.

SECTION 5 - CORPORATE DISCLOSURE

Standard of Disclosure

53. It is important that a listed company should maintain high standards of disclosure. A listed company has an obligation to fully disclose to the public, the information necessary to make informed investment decisions. The listed company should secure the immediate release of information, which might be reasonably expected to have a material effect on the market activity and price of its quoted securities. This would ensure the maintenance of a fair and orderly securities market and help to ensure that all investors have simultaneous and equal access to the same information.

Immediate Disclosure of Material Information

54. Immediate disclosure should be made of information about the affairs of a listed company or about events or conditions in the market for the securities of the listed 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 listed company, or
 - b) where such information is likely to be considered important, by a reasonable investor in determining his choice of investment.
55. Material information is any information of a factual nature that has a bearing on the value of the securities of the listed company or on investor decisions as to whether or not to invest or trade in such securities. Material information includes, but is not limited to, information known to the company concerning the company's property, business financial conditions and prospects, mergers and acquisitions; and dealings with employees, suppliers, customers and others; also information concerning a significant change in ownership of the company's securities owned by insiders or representing control of the company.
56. The following are some of the event which would require prompt announcement:
- a) a proposed joint venture, merger, acquisition or take-over.
 - b) a decision either to declare or not declare a dividend
 - c) any decision to change the capital structure of the company. This includes a rights issue or a bonus Issue.
 - d) change in the Directors, Company Secretary, Registrars or Auditors of the company
 - e) a change in control
 - f) change of address of the registered office of the company or of any office at which the register of the securities of the company is kept.
 - g) resignation, suspension or removal of the Chief Executive Officer
 - h) occurrence of any event which would result in the winding up of the company or any of its subsidiaries or the appointment of a receiver or liquidator for the company or any of its subsidiaries.

57. The following list includes some of the matters that would require a prompt announcement if considered to be material in the opinion of the Board of Directors:
- a) the acquisition or loss of a contract.
 - b) a new product or discovery.
 - c) the borrowing of funds.
 - d) the public or private sale of additional securities.
 - e) the purchase or sale of an asset.
 - f) a change in capital investment plans.
 - g) any changes in the corporate purpose and any alterations in the company's activities or the initiation of new ones.
 - h) any investment that will have a significant impact on the company
 - i) judicial or quasi judicial actions of any nature initiated by or against the company
 - j) any licensing or franchising agreement or its cancellation which may affect the issuer's operations.
 - k) any occurrence of an event of default under the terms and conditions of any issue of debentures, promissory notes, bonds or any other security issued by the company.
 - l) any penalties imposed by state authorities.
 - m) any acquisition of voting rights which results in the company becoming the holding company.
 - n) any other information which in the opinion of the Board is material.
58. All announcements mentioned above that have to be intimated to the MSE shall be in writing, and shall be signed by an authorised officer of such company.
59. The following circumstances where disclosures can be withheld and constitute an infrequent exception to the normal requirement of immediate public disclosure. Thus, in cases of doubt, the presumption must always be in favour of disclosure.
- a) when immediate disclosure would prejudice the ability of the company to pursue its corporate objectives.
 - b) when the facts are in a state of flux and a more appropriate moment for disclosure is imminent.
 - c) when the listed company is holding negotiations and has not reached an agreement.
60. Whenever the material information is being temporarily withheld, strict confidentiality must be maintained. If rumours concerning such information develop, immediate public disclosure is required.

Thorough Public Dissemination

61. Public disclosure of material information should be made by an announcement released to the MSE. To facilitate the dissemination of information, copies of the announcement should be made simultaneously to the news media in addition to which it shall be displayed on the company's website.
62. However, under no circumstances should disclosure of material corporate developments be made on an individual or selective basis to analysts, shareholders or other persons unless such information has previously been disclosed and disseminated to the public.

Clarification or Confirmation of Rumours and Reports and Response to Unusual Trading Activity

63. Where unusual price movement or trading activity, or both occur without any apparent publicly available information the listed company shall respond promptly to any inquiries made by the MSE.
64. A listed company should respond promptly to any inquiries made by the MSE concerning rumours or reports regarding the company.

Trading by Connected Persons

65. 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.
66. For the purposes of this rule, an individual is connected with a company if, and only if -
 - a) he is a director of that company or a related company; or
 - b) he occupies a position as an officer (other than director) or employee of that company or a related company or a position involving a professional or business relationship between himself (or his employer or a company of which he is a director) and that company or a related company such that he may reasonably be expected to have access to information which is price sensitive.

SECTION 6 - CORPORATE GOVERNANCE

67. All listed companies are required to comply with a Code of Corporate Governance approved by the CMDA effective from 1st January 2008.

SECTION 7 - LISTING FEES

Annual Listing Fee

68. Effective from January 2007, all companies whose securities are quoted on the official list of the MSE shall pay an annual fee to the MSE on or before the 15th January in each calendar year based on ordinary issued and paid up capital as at 31st December immediately preceding.

APPENDIX 1A: 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:.....

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.

APPENDIX 3A - ADDITIONAL LISTING APPLICATION

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 3B 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 share/debenture certificates have been despatched.
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