

Highlights

MSE held its 5th Board Meeting of 2009 on the 28th of May, mainly discussing solutions to the constraints in the capital market in the current economic climate. MSE had been working to find the possibilities of hosting the ACG 14 meeting in the Maldives so as to gain a valuable exposure to the world capital market. MSE however is financially incapable to meet the high cost of the event and was forced to seek assistance. MSE was not successful in obtaining financial assistance and determines hosting the event in few years time when the economical situation has improved.

MSE intends to present an annual award to the best performing dealing company. MSE aims to promote and encourage the dealing companies to improve their operations and recognize their efforts. The first award will be given for the year 2009.

MSE met with the listed companies on the 27th of May and had discussions on improving the communications between the investors and MSE. The listed companies were given the opportunity to express their views on the amendments brought to the listing rule of MSE. The listed companies endorsed the proposed amendments to the listing rules.

The Investor Education program is ongoing approaching more educational institutions in Male'. During the month of May, MSE gave out presentations to Majeedhiya School and Dharumavantha School reaching more than 300 students.

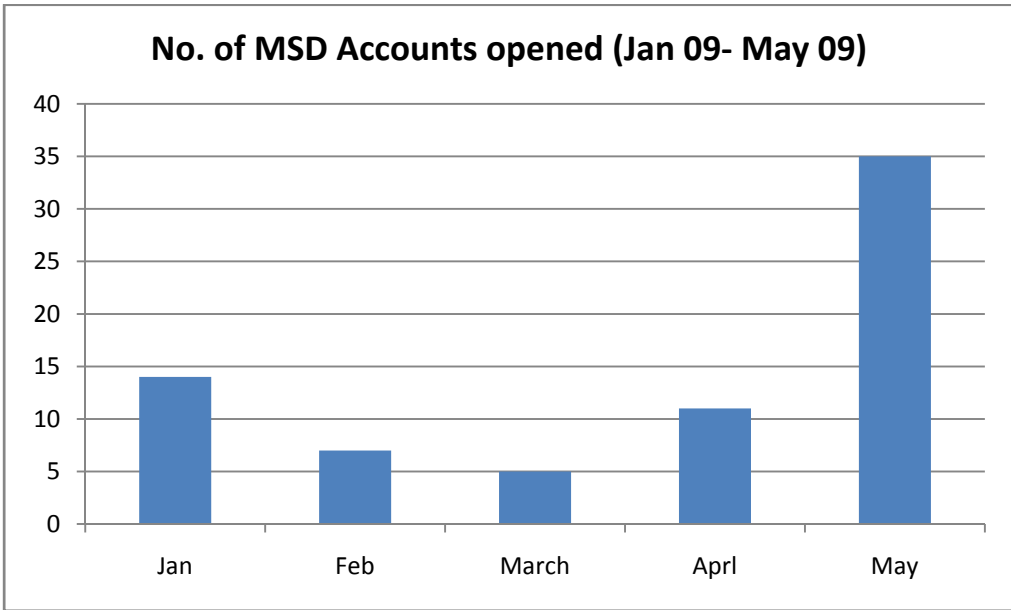
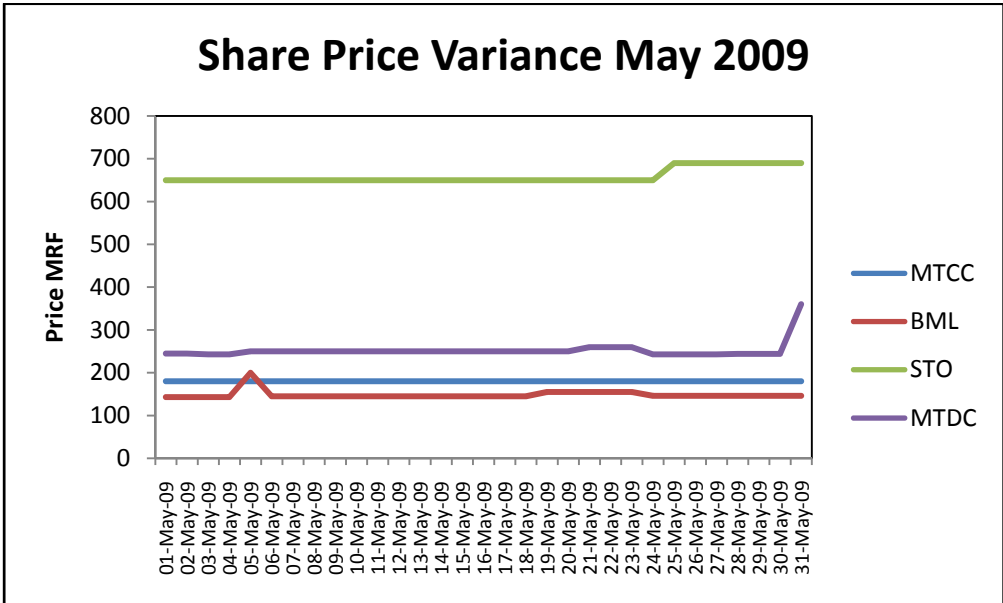
CMDA conducted the first quarter inspections of the MSE on 12th May 2009. MSE is expecting the report from CMDA.

MSE conducts routine quarterly inspections of dealing companies. The first quarter inspection of 2009 of Stock Brokers Maldives Pvt. Ltd was carried out from 20th May till 24th May 2009.

Market Review

Trading in May has been comparatively high than the previous months. The number of trades rose from 10 in the last month to 37 this month. Shares traded in May increased to 1924 reflecting a rise of 198% against April. The Market Capitalization at the end of the month was recorded at Mrf 2,560,603,820 while MASIX closed at 327.27 registering a significant increase from the previous month.

There were 17 accounts opened in the Depository in the month of May reaching to total 6,948 accounts held at the end of the month.



Listed Companies News

STO held its EGM on the 28th May 2009 to revise its Memorandum and Articles of Association in conformity to the Companies Act (10/96), Corporate Governance Code of CMDA and Listing Rules of Maldives Stock Exchange. 20 of its shareholders attended the meeting and the revisions were adopted. STO has further given notice of their AGM to be held on the 14th of June at 21:00hrs at STO head office.

Shareholder participation in Company Events

If you are a shareholder, you own a part of the company and you have rights and entitlements laid down in Company Law. In particular you have the right to receive dividends, if the company decides to pay one, and the right to attend general meetings of the company. Every company has to hold an annual general meeting which all shareholders are invited to attend. At that meeting the shareholders approve the financial accounts, the report of the directors and any dividend that is to be paid. Depending on the memorandum and articles of association, they may also participate in the election of the directors and vote for their removal. If shareholders are unable to attend a general meeting, they may appoint a proxy to vote on their behalf. Normally a public company will hold its AGM soon after publishing its accounts.

The Register

The company has to keep a record of who its shareholders are, so that it knows who is entitled to attend and vote at general meetings and who is entitled to receive a dividend. The entries on the register are changing all the time as people buy and sell shares or transfer them to members of their immediate family. So when the company announces a general meeting or the distribution of a dividend, it has to say the date of the register it is going to use to determine who is a shareholder and who is not. This is generally known as the 'record date' or the 'books close date'. Sometimes just before a General Meeting a company will close its register on the record date so that no further transfers of ownership can take place and there is no doubt as to who is entitled to attend and vote. But other companies will allow transfers to continue to take place but still use the register at the end of the record date to identify who is on the register for the purpose of the particular event.

Making a change to the register

If you buy or sell shares, you will use a dealing company who will place your order with the Stock Exchange. Once the trade has taken place (been executed) there follows the processes of settlement and registration. If you are a buyer your name will be put on the register two days after trade took place and likewise if you are a seller, your name will only be taken off the register two days after the trade took place. This is important to remember if you are hoping to be on the register in time to qualify for the event. So that you and your broker know the latest date, the Stock Exchange will publish the date when it will be too late to buy shares to participate in the event. This date is known as the ex-date. Ex-dividend means 'without the dividend'. The dividend will go to the seller. If you want the dividend you will have to buy before the ex-date. As the buyer will not receive the dividend he would expect to pay less. So the price of a share should go down on ex-dividend date.