

## **Unofficial Translation Of Guidelines For Prospectus**

*Note: Please compare to the Original Dhivehi version published by the Ministry of Trade and Industries.*

### **PART I**

#### **MATTERS TO BE STATED IN PROSPECTUS**

##### **Details of offer**

1.
  - (a) The name of the company offering the shares or debentures and its registered office or address in the Republic of Maldives.
  - (b) The statute or other authority under which the company was incorporated and the place and date of incorporation.
  - (c) A brief description of the shares or debentures being offered.
  - (d) The maximum number or amount and nominal value of shares or debentures being offered.
  - (e) The price to be paid or provided for the shares or debentures.
2. The date and time of opening and closing of the subscription lists.
3. The amount payable on application and allotment on each share and in the case of a second or subsequent offer of shares, the number, description and amount offered for subscription on each previous allotment made within the two preceding years, the number actually allotted, and the amount, if any, paid on the shares so allotted.

##### **History and Nature of Company's Business**

4. A brief history of the company and the general nature of the company's business.

##### **Names of Related Companies**

5. The names of all related companies and the proportion of the issued capital of each related company held by the company.
6. In the case of a company which has been carrying on business or seeks to acquire a business which has been carried on, for less than three years, the length of time during which the business of the company or the business to be acquired as the case may be, has been carried on.

### **Minimum Subscription Required in Share Issue**

7. Where the prospectus relates to shares, particulars as to –
- (a) The minimum amount which, in the opinion of the directors, must be raised by the issue of those share in order to provide the sums, or if any part thereof is to be defrayed in any other manner, the balance of the sums, required to be provided in respect of -
    - (i) the purchase price of any property purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the issue.
    - (ii) any preliminary expenses payable by the company, and any commission so payable to any person in consideration of his agreeing to subscribe for, or of his procuring or agreeing to procure subscriptions for, any shares in the company;
    - (iii) the repayment of any money borrowed by the company in respect of any matter specified in subparagraph (a)(i) or (ii); and
    - (iv) working capital; and
  - (b) The amount to be provided in respect of the matters specified in paragraph (a) otherwise than out of the proceeds of the issue and the sources out of which those amounts are to be provided.

### **Options**

8. The number, description, and amount of any shares or debentures of the company which any person has, or is entitled to be given an option to subscribe for, together with –
- (a) The period during which it is exercisable;
  - (b) The price to be paid for shares or debentures subscribed for under it;
  - (c) The consideration, if any, given or to be given for it or for the right to it;
  - (d) The names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures.

### **Share or Debentures issued other than for cash**

9. The number and amount of shares and debentures which in the two preceding years have been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash, and in the latter case the

extent to which they are so paid up, and in either case the consideration for which those shares or debentures have been issued or are proposed or intended to be issued.

### **Acquisition of Property**

10.

- (a) With respect to any property to which this paragraph applies –
- (i) the names and addresses of the vendors;
  - (ii) the amount payable in cash, shares, or debentures to the vendor and , where there is more than one separate vendor, the amount so payable to each vendor;
  - (iii) particulars of any transaction relating to the property completed within the two preceding years in which any vendor of the property to the company or any person who is, or was at the time of the transaction, a promoter or a director or proposed director of the company had any interest direct or indirect.
- (b) The property of which this paragraph applies is property purchased or acquired by the company or by any subsidiary of the company or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by the prospectus, or the purchase or acquisition of which has not been completed at the date of the issue of the prospectus, other than property the contract for the purchase or acquisition whereof was entered into in the ordinary course of the company's or the subsidiary's business, the contract not being made in contemplation of the issue nor the issue in consequence of the contract.

### **Commission Payable for Subscriptions**

11. The amount, if any, paid within the two preceding years, or payable, as commission, for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of the company, or the rate of any such commission, and the names of any directors or promoters or experts or proposed directors who are entitled to receive any such commission and the amount of rate thereof.

### **Preliminary Expenses**

12. The amount or estimated amount of preliminary expenses and the persons by whom any of these expenses have been paid or are payable and the amount or estimated amount of the expenses of the issue and the persons by whom any of those expenses have been paid or payable.

**Promoters' Interests**

13. Any amount or benefit paid or given within the two preceding years or intended to be paid or given to any promoter, and the consideration for the payment or the giving of the benefit.

**Material Contracts**

14. The date of, parties to, and general nature of every material contract, not being a contract entered into in the ordinary course of the business carried on or intended to be carried on by the company or a contract entered into more than two years before the date of issue of prospectus.

**Auditors**

15. The name and address and professional qualification of the auditors.

**Directors**

16. The name, address, age and principal occupation of all directors
17. The number of shares, if any, fixed by the articles, as the qualification of a director, and any provision in the articles as to the remuneration of the directors.
18.
  - (a) Full particulars of the nature and extent of the interest, direct or indirect, if any, of every director in the promotion of the company or where the interest of such a director consists in being a partner in a firm, the nature and interest of the firm and where the interest of such a director consists in holding of shares or debentures in a company, the nature and interest of the company, with a statement of all sums paid or agreed to be paid to such director or to the firm or to the company in cash or shares or in any other manner, either to induce him to become or to qualify him as a director or for services rendered by such director or by the firm or by the company in connection with the promotion or formation of the company.
  - (b) Full particulars of the nature and extent of the interest, direct or indirect, if any, of every expert in the promotion of the company or where the interest of such expert consists in being a partner in a firm, the nature and interest of the firm and where the interest of such expert consists in holding of shares or debentures in a company, the nature and interest of the company and a statement of the nature and interest of the expert in the company, with a statement of all sums paid or agreed to be paid to such expert or to the firm or to the company in cash or shares or in any other manner, for services rendered by such expert or by the firm or by the company in connection with the promotion or formation of the company.

- (c) For the purposes of this paragraph a director or expert shall be deemed to have an indirect interest in a company if he has any beneficial interest in shares or debentures of a company which has an interest in the promotion of, or in the property proposed to be acquired by, the company or if he has any beneficial interest in shares or debentures in a related company.

19. A declaration by the directors of the company in the following form:

“This prospectus has been seen and approved by the directors of the company and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and their belief, there are no other facts the omission of which would make any statement herein misleading.”

20. Full particulars of any contract in which a director of the company is materially interested, or an appropriate negative statement.
21. Details of shareholdings in the company of the directors and their nominees.

### **Classes of Shares**

22. The number of preference or participating preference shares or other shares conferring special rights, if any, and the nature and extent of the interest of the holders of those shares in the property and profits of the company.

### **Rights of Holders**

23. The rights applicable to holders of the shares as regards dividends, capital, pre-emptive rights to subscribe to new issues of shares, redemption (where applicable), voting rights and the creation or issue of further shares of equal priority with the existing shares;

### **Company Secretary.**

24. Name address and professional qualification (if any) of the secretary.

### **Underwriters and Guarantors**

25. Name and address of the persons underwriting the issue (if any) and in the case of debt securities the name and address of the guarantors (if any).

### **Future Prospects**

26. A statement as to the financial and trading prospects of the company

### **Risk Factors**

27. In relation to the business of the issuer, information shall be presented on any new venture, trading risks, potential increased competition, regulation and all such other risks which are not mentioned elsewhere in the prospectus and which are unlikely to be known or anticipated by the public and which could materially affect the profits of the company in the future.

### **Use of proceeds**

28. A statement on the intended use of the net proceeds of the issue.

### **Public Inspection and Documents**

29. The place at which the following documents (or copies thereof) maybe inspected.
- (a) Memorandum and Articles of Association of the company
  - (b) Trust deed in the case of debentures.
  - (c) All material contracts
  - (d) Valuation reports (if any)
  - (e) Any other document referred to in the prospectus.

### **Management**

30. Name, address, age, qualifications and business experience of the chief executive and all persons who report directly to the chief executive of the company.

### **Written consent of experts**

31. In the case of a statement or report attributed to an expert, a statement that the expert has given and has not withdrawn his written consent to the issue of the prospectus with the statement or report included in the form and context in which it has been included.

### **Extracts of Articles of Association**

32. Summary of the provisions of the articles of association with regard to-
- (a) power to alter capital

- (b) borrowing powers
- (c) share qualification of directors
- (d) remuneration of directors
- (e) power of directors to vote on a contract in which he is interested
- (f) election and removal of directors
- (g) voting rights of shareholders

### **Litigation**

33. Details of any significant litigation

### **Staff**

34. Total staff strength and broad category classification.

### **Capital**

- 35.
- (a) The authorized share capital, the amount issued, the amount paid up and the description and the nominal value of the shares.
  - (b) Particulars of any capital which has within the two years immediately preceding the publication of the prospectus been issued for cash and the price, date and terms upon which that capital has been issued and, if not already fully paid, the dates when any installments are payable with any amounts of installments in arrears:
  - (c) Details of all the major shareholders of the company together with particulars of their respective holdings.

### **Properties and fixed assets of issuer and subsidiaries**

- 36.
- (a) Particulars of the location and tenure of the properties of the company and if available details of current value.
  - (b) Particulars about the plant and machinery including cost and age.

### **Outstanding Debt**

37. Particulars of any material outstanding indebtedness in relation to the issuer and its subsidiaries.



**Secured Debentures**

38. In the case of an issue of secured debentures the full particulars of the assets mortgaged or charged.

**PART II****Reports to be set out**

39.

- (a) A report by a qualified auditor, who shall be named in the prospectus, with respect to-
- (i) a summary of earnings of the company (and on a consolidated basis if the company has subsidiaries) for the last five financial years immediately preceding the last date to which the accounts of the company were made up or such shorter period as may be appropriate if the company has not been in business for five years.
  - (ii) the summary of the balance sheet of the company (and on a consolidated basis if the company has subsidiaries) in respect of the five financial years immediately preceding the last date to which the accounts of the company were made up or such shorter period as may be appropriate if the company has not been in business for five years.
  - (iii) the rates of the dividends, if any, paid by the company in respect of each class of shares in respect of each of the five financial years immediately preceding the issue of the prospectus, giving particulars of each such class of shares on which such dividends have been paid and particulars of the cases in which no dividends have been paid in respect of any class of shares in respect of any of these years.
  - (iv) an audited profit and loss account and balance sheet made up to a date which shall in no case be more than six months before the issue of the prospectus.
  - (v) any other matters which appear to the auditor to be relevant having regard to the purpose of the report. In making such a report the auditors shall make such adjustments as are in their opinion appropriate for the purpose of the prospectus.
- (b) In the case of an issue of debentures the report shall include in the case of the guarantor company the same matters stated in (a) of this paragraph except matters stated in section (iii). Where there are no audited financial statements within six months before the issue of the prospectus the latest available audited financial statements shall be included in the report. In such an event the guarantor company's value of net tangible assets at a date not more than six

months before the issue of the prospectus shall be stated in the prospectus. The prospectus shall include a statement to the effect that the value for the net tangible assets has not been taken from an audited financial statement.

40. Where the proceeds, or any part of the proceeds, of the issue of the shares or debentures are to be applied directly in the purchase of any business, a report by a qualified auditor who shall be named in the prospectus with respect to –

- (a) the profits or losses of the business in respect of each of the five financial years immediately preceding the last date to which the accounts of the business were made up; and which date shall in no case be more than six months before the issue of the prospectus.
- (b) the assets and liabilities of the business at the last date to which the accounts of the business were made up, which shall in no case be more than six months before the issue of the prospectus

41.

(a) Where-

- (i) the proceeds, or any part of the proceeds of the shares or debentures, are to be applied directly or indirectly in any manner resulting in the acquisition by the company of shares in any other company; and
- (ii) by reason of that acquisition or anything to be done in consequence thereof or in that connection that company will become a subsidiary of the company,

a report by a qualified auditor who shall be named in the prospectus with respect to –

- (iii) the profits or losses of the other company in respect of each of the five financial years immediately preceding the last date to which the accounts of the company were made up; and
- (iv) the assets and liabilities of the other company at the last date to which the accounts of the company were made up,

which date in no case be more than six months before the issue of the prospectus.

- (b) the report shall where the other company has subsidiaries, deal with the profits or losses and the assets and liabilities of the company and on a consolidated basis.
42. A report by the directors as to whether after due inquiry by them in relation to the interval between the date to which the last accounts have been made up and a date not earlier than fourteen days before the issue of the prospectus –
- (a) the business of the company and its subsidiaries has in their opinion been satisfactorily maintained;
  - (b) there have in their opinion arisen since the last annual general meeting of the company any circumstances adversely affecting the trading or the value of the assets of the company or any of its subsidiaries;
  - (c) the current assets of the company and of its subsidiaries appear in the books at values which are believed to be realizable in the ordinary course of business;
  - (d) there are any contingent liabilities by reason of any guarantees given by the company or any of its subsidiaries; or
  - (e) there are, since the last annual report, any changes in published reserves or any unusual factors affecting the profit of the company and its subsidiaries;

and where any report is required pursuant to this paragraph it shall contain full details of all matters required to be dealt with in the report.

### **PART III**

#### **Provisions applying to Parts I and II**

43. Paragraph 12 (so far as relates to preliminary expenses) shall not apply in case of a prospectus issued more than two years after the date at which the company is entitled to commence business
44. Every person shall for the purposes of this Schedule be deemed to be a vendor who has entered into any contract absolute or conditional, for the sale or purchase or for any option of purchase, of any property to be acquired by the company in case where –
- (a) the purchase money is not fully paid at the date of the issue of the prospectus;
  - (b) the purchase money is to be paid or satisfied wholly or in part out of the proceeds of the issue offered for subscription by the prospectus or;

- (c) the contract depends for its validity or fulfillment on the result of that issue;
45. Where any property to be acquired by the company is to be taken on lease this Schedule shall have effect as if the expression "vendor" included the lessor, and the expression "purchase money" included the consideration for the lease.
46. References in paragraph 8 to an option to subscribe for share or debentures shall include an option to acquire them from a person to whom they have been allotted or agreed to be allotted with a view to his offering them for sale, but shall not include an option to subscribe for or acquire shares pursuant to a **bona fide** underwriting or sub-underwriting agreement.
47. For the purposes of paragraph 10 where the vendors or any of them are a firm, the members of the firm shall not be treated as separate vendors.
48. Where in the case of a company which has been carrying on business, or of a business which has been carried on, for less than five years, the accounts of the company or business have only been made up in respect of four years, three years, two years, or one year, Part II shall have effect as if references to four years, three years, two years, or one year, as the case may be, were substituted for references to five years.
49. Any report required by Part II shall either indicate by way of note any adjustments as respects the figures of any profits or losses or assets and liabilities dealt with by the report which appear to the persons making the report necessary or shall make those adjustments and indicate that adjustments have been made and the reasons therefore.