

ANNUAL REPORT 2007



ROYAL SECURITIES EXCHANGE OF BHUTAN LTD.

P.O. Box 742
Thimphu: BHUTAN

 : 323995/324296
Fax No. : 323849
E-mail : rseb@druknet.bt



CONTENTS

I. BOARD OF DIRECTORS

II. MANAGEMENT

III. DIRECTOR'S REPORT

IV. MARKET HIGHLIGHT

➤ ***Information on listed companies:***

➤ ***Traded Value:***

→ *In primary market*

→ *In secondary market*

➤ ***Traded Volumes:***

○ *In primary market*

○ *In secondary market*

○ ***Brokers' Performances***

SECURITIES RECORDS IN THE CENTRAL DEPOSITORY

RMA DISCOUNT BILLS

RGOB BONDS

FINANCIAL STATEMENTS

➤ *Balance Sheet*

➤ *Profit and Loss Account*

NOTIFICATIONS:

- I. Notifications on Record dates*
- II. Notification on shareholders participation in AGM*
- III. Notification on Proposed dividends*



I. BOARD OF DIRECTORS

- | | |
|-------------------------------------------------------------------|------------------|
| 1. Mr. Daw Tenzin, Managing Director, Royal Monetary Authority | Chairman |
| 2. Mr. Kipchu Tshering, MD, BNB/Chairman, BNB Securities Ltd | Director |
| 3. Mr. Nawang Gyetse, MD., Drook Securities Ltd. | Director |
| 4. Mr. Namgyal Lhendup, MD, RICB/ Chairman, RICB Securities Ltd. | Director |
| 5. Mr. G.P Sharma, CEO., BOB Securities Ltd. | Director |
| 6. Mr. Sangay Wangdi, Director, DOI, Ministry of Economic Affairs | Director |
| 7. Mr. T. Yezer, CEO., RSEB | Member Secretary |

II. Management

1. Mr. Tashi Yezer, Chief Executive Officer
2. Mr. Dophu Dorji, Manager
3. Mr. Nawang Lhendup, In-charge (Central Depository)
4. Ms. Khandu Wangmo, Programmer (Trading)
5. Mr. Pema Lhendup, Accountant
6. Dawa Dakpa, Trainee officer
7. Mr. Dil Kumar Rai, Support staff
8. Mr. Kezang Dorji, Support staff

Brokerage Firms

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| 1. RICB Securities Ltd.
C/o Royal Insurance Corporation of Bhutan Ltd.,
Phuentsholing, Bhutan
Tel. #. 975-2-322426/323993 | 2. BNB Securities Ltd.
c/o Bhutan National Bank Ltd.,
Thimphu, Bhutan
Tel. # 975-2- 322765/322767 |
| 3 BOB Securities Ltd.
C/o Bank of Bhutan Ltd.,
Thimphu Branch, Thimphu
Tel. # 975-2-322266 | 4 Drook Securities Ltd.
c/o Bhutan Dev. Finance Corporation Ltd.,
Thimphu
Tel. # 975-2-322579 |

III. Directors' Report 2007

1. Primary Market

Until the year 2000 the primary market remained un-regulated under the primary laws of the country. However, any initial public offerings (IPO's) emerging in the market at such juncture then, were handled by the RSEB until the revised Companies Act of the Kingdom 2000 was equipped to regulate the Primary Market. Thereafter, in shifting responsibilities of regulating the IPOs to the Registrar of companies under the Companies Act 2000 it demanded a closer working relationship between the Ministry of Economic Affairs and the RSEB to enhance the proper regulation of the prospectus. Currently, the RSEB only sends its observations to the Office of the Registrar of Companies on the issuer's proposed prospectus and do not assume the authority to regulate them directly. Only when the prospectus enters the market the RSEB ensures that the public offers of shares are executed as required in the approved prospectus.

Today, the lack of adequate legislation in the issue of Debt Securities is no less difficult than the IPO's for equity securities in the past. Despite such scenario, the RSEB has issued through its facilities several Government Treasury Bills and Bonds of one to ten years maturity. The RSEB has the ability to provide facility to trade debt securities but due to lack of proper legislative framework, the corporate bonds remains discouraged.

On the other hand, the issue of short term Auction Bills by the Central Bank (the Royal Monetary Authority of Bhutan) is fully regulated under the RMA guidelines and as such Auction Bills are traded frequently at the Royal Securities Exchange of Bhutan Ltd.

Lately, in order to deepen the Debt market in Bhutan, the Ministry of Finance initiated to form a Task Force to study and propose the debt market system in the country. The core group of the Task Force consist representatives from Dept. of Public Accounts, Ministry of Finance, Royal Monetary Authority of Bhutan, Bank of Bhutan, RSEB and Revenue and Customs.

2. Public Offering for subscription

a. Bhutan Times Limited

During the year 2007, out of its paid-up capital of Nu.50 million, Bhutan Times Ltd. floated 33 percent of its shares amounting to 168,550 shares to public which were subscribed by 252 shareholders at Nu.100 per shares, in June 26, 2007.

However, due to reduction of its paid up capital to 40 million prior to listing, the percentage holding of public was reduced from 33 percent to 17.14 percent against 82.86 percent held by 41 promoters.

The 41 promoters consist of businessmen, Civil servants, personnel from Armed forces and employees of Industrial Organizations based on which the listing of the Bhutan Times Ltd. on the RSEB became highly eligible.

b. Druk Wang Alloys Limited

During the year the public offer of 25 percent of its paid up shares, constituting 417,500 shares by Druk Wang Alloys Limited, a ferrosilicon company at Puentsholing, with paid up capital of Nu. 167 million were also fully subscribed by 501 shareholders. The remaining 75 percent of share capital, held by a group of three promoters, were also brought to the book entry record of the Depository through simulated trading. The numbers of shareholders are 504 including three promoters.

The overall transactions in primary market during the year amounted to 817,500 primary shares worth Nu. 81.75 million, at the RSEB.

c. Tashi InfoCom Limited.

Although the RSEB has already made its observations on the proposed prospectus of Tashi InfoCom Ltd. it could not float its share to public during the year.

3. Secondary Market

The transactions in the secondary market decreased both in terms of volume and value from 133,387 shares valued at Nu.36.55 million in the previous year compared to 50,531 shares amounting to Nu.25.59 million in 2007.

During the year, the overall traded value including IPO, secondary trading, dematerialization and splitting of securities amounted to 1,868,031 shares worth Nu.207.33 million compared to 2,752,745 shares amounting to Nu. 372 million in the previous year.

4. Market Capitalization

The market capitalization of 16 listed companies increased slightly to Nu. 5,029 million compared to Nu. 4,639 million in the previous year. The increase was due to new listing of Kuensel Corporation Ltd. on the RSEB and on increase in the market prices of some shares.

5. Number of Shareholders

During the year the numbers of shareholders decreased by 26.56 percent from 16,045 to 11,782 shareholders due to voluntary winding up of Bhutan Beverages Company Limited.

6. Number of Listed Companies

During the year 500,000 shares of Kuensel Corporation at the IPO price of Nu.100 per share were listed on the Royal Securities Exchange of Bhutan Ltd., where 49 percent of paid up capital was held by 253 public shareholders and the remaining 51 percent by the Royal Government of Bhutan.

As the Listing process for both Bhutan Times and Druk Wang Alloys were completed towards the end of December 2007 none of them could be listed on the RSEB during the year. However, both of them shall be listed on the Exchange in the coming year 2008 during which period both the market capitalization and the number of shareholders are expected to increase.

Jigme Mining Corporation Ltd. is still under process to be listed next on the Exchange.

7. Voluntary winding up of BBCL

Following the announcement of voluntary winding up of Bhutan Beverages Company Ltd. the outgoing company started paying the initial investments along with 30 percent goodwill returns to its shareholders from 10th April 2007 following the approval of its official winding up by the Ministry of Economic Affairs.

8. Market information

The RSEB still needs financial capabilities to computerize the record-keeping of companies' information such as issued capital, face value, profit/loss, reserves and the calculation of book value, market value, earnings per share, return on capital, debt equity ratio, dividend yields and so forth. Currently, the compilations and comparatives analyses are carried out manually from the balance sheet of the listed companies in order to benefit the general public.

9. Government Bonds

During the year no new bonds were issued at the Exchange. However, in the same way as in the previous year the RSEB has facilitated the semi-annual coupon payment amounting to Nu. 137.68 million from the issuers to the bondholders.

10. RMA Discount Bills

During the year, the RSEB has traded a total of 8 series of RMA Discount Bills aggregating to Nu. 5,259.5 million compared to Nu. 495.56 million in the previous year. The issue of RMA Bills mounted high towards the end of the year by increasing both in terms of discount rate to 5 percent per unit from 3.5 percents and volume from Nu.100 million to Nu.1,000 million respectively.

In this scenario, the institutional investors such as Chukha Hydro Power Corporation Ltd, Bhutan Telecom Ltd, Youth Development Fund, National Pension Fund, Kuensel Corporation Ltd. and some individual investors also participated in the offers. The Central Bank (RMA) also placed criteria at the RSEB that the orders of the commercial banks are filled only after completely filling the bid orders of public and other institutional investors.

The overall trading of Bills, since its first trading in 1994 to the year 2007, amounts to Nu 30,952.28 million.

11. Brokers Performance

During the year 2007, BoB Securities Ltd traded 87.99 percent worth Nu.364.87 million followed by BNB of 10.31 percent amounting to Nu.42.76 million of the total trade during the year.

12. Dematerialization and splitting

Dematerialization is a process by which the physical share certificates of the listed companies are converted into scripless shares. It is a requirement under the companies Act of the Kingdom 2000 that all securities deposited in the depositories must be dematerialized.

Therefore, during the year Bhutan Carbide and Chemicals Ltd. (BCCL) was the last listed company to dematerialize a total of 1 million shares worth Nu 100 million – through a simulated trading in the Exchange, broker and Depository systems completing which the listed securities in the country are 99 percent dematerialized.

At the same time the shares of BCCL were split to Nu.100 per share value from its previous face value of Nu.1,000 per share. Whereby, the number of shares increased by ten times and the face value decreased to Nu.100 per share.

13. Trade Confirmation Note:

In the absence of the physical share certificates in the market, the trade confirmation issued by the brokers remains as the prime evidence of knowing the beneficial owner of the listed companies. Until an online trading can take place in the Bhutanese capital market, the Broker shall continue to collect the trade confirmation of the seller, so that the seller cannot claim the sold shares as his holding later. Also, in case of non-commercial transactions, the original Trade Confirmations are retained by the RSEBL.

14. Bonus Issue

During the year 2007 no issue of bonus shares were reported to the exchange.

15. Non-commercial Transaction

The RSEB permits the transfer of share ownership in non-commercial transactions such as gifts, inheritance and other non-commercial transfer within the immediate family members being verified by the court.

During the year, 66 cases of non-commercial transfers of share ownership worth Nu.6.88 million calculated at face value for 60,766 shares were entertained at the RSEB involving 86 transferors against 120 transferees of the various listed companies.

16. The RSEB Notifies the listed companies on:

- a. The Fixation of the year end Record Date to 31st December each year
- b. To show improvement of shareholders participations in their AGM/ EOGMS
- c. To indicate compulsorily the proposed dividends in the annual financial statements.

17. Central Depository

The volume of Securities deposited in the Securities Depository increased to 10.66 million shares which is 98.81% during the year from 9.84 million shares in the previous year indicating 3.02 percent growth. This growth was fueled by dematerialization of BCCL shares.

18. Capacity Building

In order to help the capacity building of the RSEB the Royal Monetary Authority of Bhutan sponsored Mr. Dophu Dorji to attend Depository and Dematerialization systems at the Bombay Stock Exchange from May 14–17, 2007, for the act of which the RSEB is highly grateful.

19. Profit & Loss

The Exchange during the year generated a profit after tax of Nu.256,501.69 as compared to the profit of Nu.132,079.62 in the previous year. The increase in profit during the year was mainly contributed by increase in turnover.

The annual accounts of the RSEB as at 31st December 2007 were audited by M/s T.K. Ghose & Co., Chartered Accountants, Kolkata, India.

20. Acknowledgment

On behalf of the Royal Securities Exchange of Bhutan Limited the Directors would like to take this opportunity to acknowledge their deepest gratitude to the listed companies, the Brokerage Firms, the Royal Monetary Authority and the Department of Industry, MOE, for providing their continued support and co-operation to the RSEB, with which the activities of the RSEB during the year 2007 became successful.

Chairman

Abbreviations

1. BBPL - Bhutan Board Products Ltd.,
2. BCCL - Bhutan Carbide & Chemicals Ltd.,
3. BDL - Bhutan Dairy & Agro Products Ltd.,
4. BFAL - Bhutan Ferro Alloys Ltd.,
5. BNB - Bhutan National Bank Ltd.,
6. BPCL - Bhutan Polymers Company Ltd.,
7. BTCL - Bhutan Tourism Corporation Ltd.,
8. DPCL - Druk Petroleum Corporation Ltd.,
9. DPOP - Druk Plaster & Chemicals Ltd.,
10. DSCL - Druk Satair Corporation Ltd.,
11. DSML - Druk Mining Ltd.,
12. PCAL - Penden Cement Authority Ltd.,
13. RICB - Royal Insurance Corporation Ltd.,
14. STCB - State Trading Corporation Ltd.,
15. EBCC - SD Eastern Bhutan Coal Co., Ltd.,
16. KCL - Kuensel Corporation Ltd.,
17. BBCL - Bhutan Beverages Company Ltd.,

Disclaimer

Market conditions can lead to substantial profit or loss. Investors are advised to seek adequate product and market knowledge as well as proper investment advice.

The material provided here is for general information purpose only. While every effort is made to ensure the accuracy and completeness of information, the Exchange makes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information as the basis for any claim, demand or cause of action.

MARKET HIGHLIGHTS

Table - 1

Company/ year of Listing	Year	Nu. in million			Face Value	Earnings Per Share Nu.	Book Value Nu.	PE Ratio	Dividend (%)	Dividend Yield (%)	Return on Capital (ROC)	Debt Equity Ratio
		Paid up Capital	Reserves	Profits								
BBCL 2002	2003	115.00	0.00	-17.35	100	-15.09	100.00	-21.21	0.00	0.00	-0.15	2.51
	2004	115.00	0.00	-9.56	100	-8.31	100.00	-29.47	0.00	0.00	-0.08	2.41
	2005	115.00	0.00	1.18	100	1.03	100.00	194.37	0.00	0.00	0.01	2.05
	2006	115.00	0.00	9.61	100	8.35	100.00	11.97	0.00	0.00	0.08	2.09
	2007	Delisted	-	-	-	-	-	-	-	-	-	-
BBPL 1993	2003	140.00	12.18	9.31	100	6.65	108.70	13.38	6.00	6.74	0.06	0.54
	2004	140.00	18.01	19.82	100	14.16	112.86	6.36	10.00	11.11	0.13	0.17
	2005	140.00	28.69	31.69	100	22.63	120.49	3.98	15.00	16.67	0.19	0.00
	2006	140.00	39.95	32.26	100	23.04	128.54	4.34	15.00	15.00	0.18	-
	2007	140.00	62.66	29.71	100	21.22	144.76	4.71	5.00	5.00	0.15	-
BCCL 1993	2003	100.00	374.50	79.78	1000	797.76	4,745.03	6.27	30.00	6.00	0.17	0.00
	2004	100.00	398.64	64.92	1000	649.19	4,986.37	7.70	40.00	8.00	0.13	0.00
	2005	100.00	430.02	56.43	1000	564.28	5300.17	10.63	25.00	4.17	0.11	0.92
	2006	100.00	441.87	23.76	1000	237.56	5418.68	25.26	15.00	2.50	0.04	2.60
	2007	100.00	466.49	46.10	100	46.10	566.49	13.01	15.00	2.50	0.08	2.53
BDL 1994	2003	6.10	0.00	-1.05	100	-17.21	100.00	-5.81	0.00	0.00	-0.17	1.29
	2004	8.60	0.00	-0.88	100	-10.20	100.00	-8.90	0.00	0.00	-0.14	1.43
	2005	14.09	0.00	-4.36	100	2.32	100.00	43.07	0.00	0.00	0.02	2.75
	2006	14.09	0.00	29.81	100	211.51	100.00	-0.47	0.00	0.00	-2.12	7.44
	2007	14.09	0.00	-27.02	100	-191.72	100.00	-0.52	0.00	0.00	-1.92	9.80
BFAL 1995	2003	150.00	239.06	90.71	100	60.47	259.37	2.32	35.00	25.00	0.23	0.09
	2004	150.00	276.84	91.21	100	60.80	284.56	8.39	15.00	2.94	0.21	0.26
	2005	150.00	287.53	33.19	100	22.13	291.69	23.05	0.00	0.00	0.08	2.63
	2006	150.00	304.93	49.28	100	32.85	303.29	15.52	15.00	2.94	0.11	5.64
	2007	150.00	297.99	1.11	100	0.74	298.66	686.69	0.00	0.00	0.00	5.32
BNB 1996	2003	119.00	549.02	56.92	100	47.83	561.33	11.50	30.00	5.45	0.09	38.54
	2004	119.00	570.52	81.90	100	68.82	579.40	9.45	50.00	7.69	0.12	48.41
	2005	119.00	638.86	151.64	100	127.42	636.82	5.10	70.00	10.77	0.20	53.98
	2006	119.00	705.58	191.76	100	161.13	692.88	4.03	100.00	15.38	0.23	72.46
	2007	119.00	950.31	249.54	100	209.69	898.53	3.84	40.00	4.97	0.23	72.39
BPCL 1997	2003	24.93	15.45	10.41	100	41.77	161.97	5.99	30.00	12.00	0.26	1.42
	2004	24.93	17.96	7.50	100	30.07	172.03	7.98	20.00	8.33	0.17	1.30
	2005	24.93	21.00	8.03	100	32.22	184.25	7.45	20.00	8.33	0.17	1.29
	2006	24.93	24.12	9.35	100	37.50	196.75	2.67	25.00	25.00	0.19	1.03
	2007	24.93	32.15	8.03	100	32.20	228.95	3.11	-	-	0.14	0.59
BTCL 1994	2003	20.94	18.63	4.54	1000	216.92	1,889.84	4.61	0.00	0.00	0.11	1.66
	2004	20.94	29.86	10.52	1000	502.52	2,426.12	3.38	0.00	0.00	0.21	2.16
	2005	20.94	37.06	13.08	1000	624.81	2,770.03	2.72	0.00	0.00	0.23	1.96
	2006	20.94	38.68	11.22	100	53.60	284.73	3.17	20.00	11.76	0.19	2.94
	2007	20.94	52.46	11.03	100	52.68	350.54	3.23	0.00	0.00	0.15	2.84
DPCL 1995	2003	6.24	0.00	-5.36	100	-85.94	100.00	-1.16	0.00	0.00	-0.86	2.73
	2004	6.24	0.00	-6.24	100	-100.08	100.00	-1.20	0.00	0.00	-1.00	3.89
	2005	6.24	0.00	-0.37	100	-5.91	100.00	-20.32	0.00	0.00	-0.06	5.30
	2006	6.24	0.00	0.51	100	8.25	100.00	14.54	0.00	0.00	0.08	5.07
	2007	6.24	0.00	-0.18	100	-2.88	100.00	-41.64	-	-	-0.03	5.05
DPOP 2001	2003	10.00	0.00	-0.59	100	-5.87	100.00	-17.05	0.00	0.00	-0.06	3.48
	2004	10.00	0.00	0.13	100	1.27	100.00	78.85	0.00	0.00	0.01	3.16
	2005	10.00	1.00	1.96	100	19.60	110.01	17.85	5.00	1.43	0.18	2.37
	2006	10.00	2.40	2.90	100	28.97	123.97	3.45	15.00	15.00	0.23	1.95
	2007	10.00	3.34	1.94	100	19.44	133.41	10.29	10.00	5.00	0.15	1.57

Note : 1. Figures may not add up due to rounding.

Formula Used :-

1. Book Value = Capital + Reserve / No.of Shares
 2. EPS=Net Profit / No.of Shares
 3. PE=Market Price / EPS
 4. Return on Capital = Net Income / (Equity + Reserve) *5.
 5. Div.Yield = Div. per share / Market Price X 100
 6. Debt Equity Ratio=Debt / Paid up Capital
- * Book Value is replaced by Market Price w.e.f. 2003

MARKET HIGHLIGHTS

Table - 1, Continued

Company/ year of Listing	Year	Nu. in million			Face Value (IPO)	Earnings Per Share Nu.	Book Value Nu.	PE Ratio	Dividend (%)	Dividend Yield (%)	Return on Capital (ROC)	Debt Equity Ratio
		Paid up Capital	Reserves	Profits								
DCL 1998	2003	30.40	55.40	32.56	100	107.09	282.21	0.93	0.00	0.00	0.38	0.00
	2004	30.40	68.81	33.78	100	111.11	326.34	3.15	0.00	0.00	0.34	0.00
	2005	30.40	58.57	9.21	100	30.29	292.65	8.98	50.00	18.38	0.10	0.00
	2006	45.65	45.96	18.57	100	40.68	200.67	6.69	35.00	12.87	0.20	0.00
	2007	45.65	49.97	17.71	100	38.79	209.46	7.73	30.00	10.00	0.19	0.00
DSML 1995	2003	3.77	0.00	2.18	100	57.86	100.00	1.73	0.00	0.00	0.58	1.09
	2004	3.77	0.00	0.48	100	12.62	100.00	23.77	0.00	0.00	0.13	0.75
	2005	3.77	0.00	-2.02	100	-53.54	100.00	-5.60	0.00	0.00	-0.54	0.87
	2006	3.77	0.00	-1.82	100	-48.18	100.00	-8.90	0.00	0.00	-0.48	1.68
	2007	3.77	0.00	0.81	100	21.37	100.00	20.08	0.00	0.00	0.21	7.13
EBCC 2005	2005	52.10	1.13	40.72	100	78.15	102.16	1.28	0.00	0.00	0.76	0.75
	2006	52.10	0.78	7.99	100	15.33	101.49	6.52	16.00	16.00	0.15	0.40
	2007	52.10	1.82	9.38	100	18.00	103.49	7.78	16.00	11.43	0.17	0.46
KCL												
2007	2007	50.00	90.73	4.63	100	9.26	281.47	10.80	7.00	7.00	0.03	-
PCAL 1993	2003	226.67	496.18	191.16	1000	843.35	3,189.03	6.17	50.00	9.62	0.26	0.00
	2004	226.67	558.31	175.47	1000	774.12	3,463.15	7.10	50.00	9.09	0.22	0.00
	2005	226.67	625.77	180.79	100	79.76	376.08	7.52	50.00	8.33	0.21	0.00
	2006	226.67	670.63	214.86	100	94.79	395.87	7.38	75.00	10.71	0.24	0.00
	2007	226.67	787.77	321.14	100	141.68	447.54	5.65	90.00	11.25	0.32	0.00
RICB 1993	2003	96.00	155.21	43.90	1000	457.26	2,616.78	7.65	0.00	0.00	0.17	5.62
	2004	96.00	210.45	73.32	1000	763.78	3,192.16	4.58	20.00	5.71	0.24	7.31
	2005	96.00	276.96	72.61	100	75.64	388.50	3.97	10.00	3.33	0.19	5.92
	2006	96.00	349.06	92.33	100	96.18	463.60	3.64	20.00	5.71	0.21	6.15
	2007	96.00	435.54	106.34	100	110.77	553.68	3.16	25.00	7.14	0.20	6.47
STCB 1997	2003	20.00	45.76	10.80	100	54.00	328.82	2.41	30.00	23.08	0.16	0.00
	2004	20.00	50.50	9.74	100	48.70	352.52	3.90	25.00	13.16	0.14	0.00
	2005	20.00	54.73	4.22	100	21.11	373.63	9.00	0.00	0.00	0.06	0.00
	2006	20.00	52.53	-2.20	100	-10.98	362.64	-17.30	-	-	-0.03	-
	2007	20.00	36.76	-15.77	100	-78.84	283.81	-2.41	-	-	0.28	-

Note : 1. Figures may not add up due to rounding.

Formula Used :-

1. Book Value = Capital + Reserve / No.of Shares
2. EPS=Net Profit / No.of Shares
3. PE=Market Price / EPS
4. Return on Capital = Net Income / (Equity + Reserve)
- *5. Div.Yield = Div. per share / Market Price X 100
6. Debt Equity Ratio=Debt / Paid up Capital

* Book Value is replaced by Market Price w.e.f. 2003

SHARE HOLDING PATTERN - (2007)

Table - 2

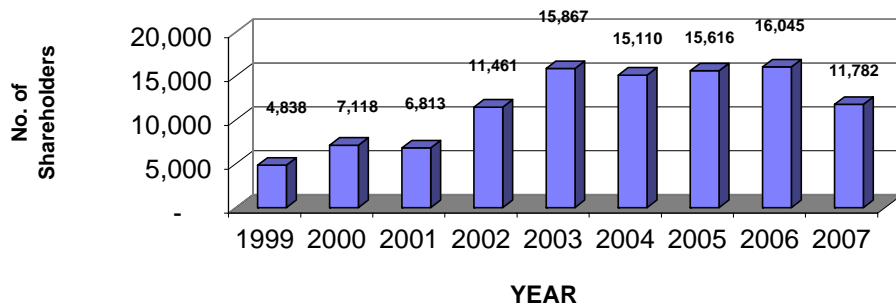
ISSUING COMPANY	Paid up Shares	Holdings in Percent						Total
		RGOB	Major Shareholders (Promoters)	PUBLIC				
				FIS	Institutional Investors	Foreign Inst. Investors	Individual Investor	
BBPL	1,400,014	47.74	-	13.26	10.42	-	28.59	100
BCCL	100,000	-	52.15	39.23	1.35	-	7.26	100
BDL	140,929	-	92.73	2.66	1.06	-	3.54	100
BFAL	1,500,000	25.73	12.35	8.69	41.00	12.00	0.23	100
BNB	1,190,080	13.61	-	2.10	37.61	-	46.68	100
BPCL	249,334	-	53.72	5.10	0.90	-	40.28	100
BTCL	20,940	-	34.43	-	-	-	65.57	100
DPCL	62,370	-	98.50	-	-	-	1.50	100
DPOP	100,000	-	21.00	-	46.00	-	33.00	100
DSCL	456,543	-	34.93	-	36.26	-	28.81	100
DSML	37,702	-	57.57	-	23.03	-	19.40	100
KCL	500,000	51	-	-	21.31	-	27.69	100
PCAL	226,667	42.68	-	1.82	30.76	-	24.74	100
RICB	96,000	39.25	-	0.37	5.96	-	54.42	100
STCB	200,000	51.00	-	11.96	9.90	-	27.14	100
BBCL	1,150,000	-	60.00	-	9.39	-	30.60	100
EBCC	520,000	-	70.00	-	-	-	30.00	100

NUMBER OF SHAREHOLDERS

Table - 3

Issuing Company	1999	2000	2001	2002	2003	2004	2005	2006	2007
BBPL	489	489	489	489	489	489	489	489	492
BCCL	267	266	266	267	267	270	269	264	264
BDL	96	96	96	96	96	96	96	96	96
BFAL	44	42	37	37	40	50	46	46	46
BNB	407	407	405	409	5,451	4,656	4,193	4,582	4,440
BPCL	78	78	78	95	104	102	102	129	129
BTCL	89	89	89	83	83	161	161	164	164
DPCL	80	80	80	80	79	71	71	71	71
DSCL	1,201	1,201	1,201	1,200	1,186	1,264	1,150	1,277	1,277
DSML	64	64	64	64	64	69	69	67	67
PCAL	1,630	1,630	1,616	1,620	1,520	1,477	1,477	1,482	1,471
RICB	260	2,543	2,056	1,871	1,715	1,670	1,641	1,614	1,585
STCB	133	133	133	127	127	125	125	125	125
DPOP	-	-	203	203	203	203	203	213	213
BBCL	-	-	-	4,820	4,443	4,407	4,372	4,334	-
EBCC	-	-	-	-	-	-	1,152	1,092	1,089
KCL	-	-	-	-	-	-	-	-	253
Total :-	4,838	7,118	6,813	11,461	15,867	15,110	15,616	16,045	11,782

Figure : 1

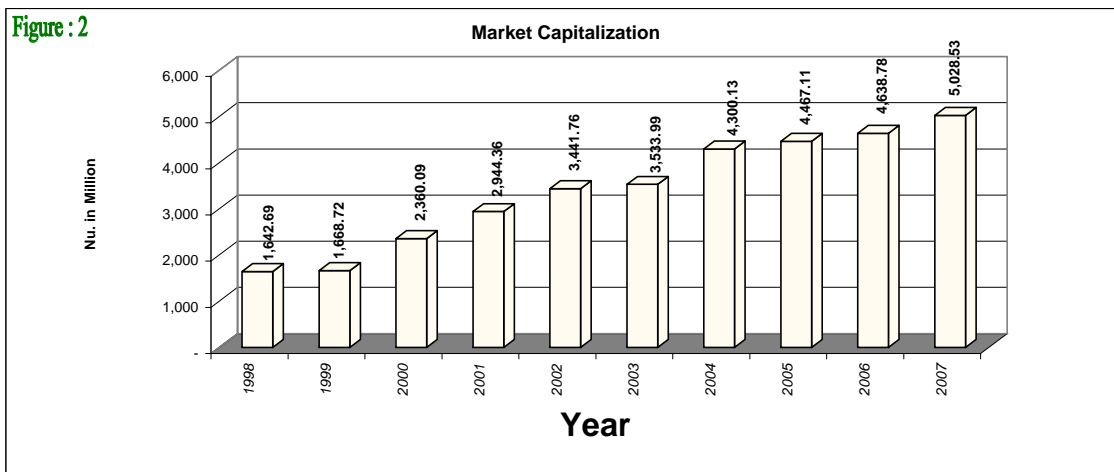


MARKET CAPITALIZATION

Table - 4

Company	Market Capitalization									Nu. in million	
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
BBCL	-	-	-	-	115.00	368.00	281.75	230.00	115.00	0.00	
BBPL	107.48	106.47	144.20	144.20	124.60	124.60	126.00	126.00	140.00	140.00	
BCCL	375.00	375.00	400.10	500.00	500.00	500.00	500.00	600.00	600.00	600.00	
BDL	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	14.10	14.10	
BFAL	180.00	195.00	202.50	210.00	210.00	210.00	765.00	765.00	765.00	765.00	
BNB	142.81	148.76	416.53	862.81	1,190.00	654.54	773.55	773.56	773.55	958.01	
BPCL	10.80	12.47	24.93	24.93	62.33	62.33	59.84	59.84	24.93	24.93	
BTCL	20.94	21.99	21.99	21.99	31.41	20.94	35.62	35.62	35.60	35.60	
DPCL	3.84	3.84	3.84	4.29	6.24	6.24	7.48	7.48	7.48	7.48	
DPOP	-	-	-	10.00	10.00	10.00	10.00	35.00	10.00	20.00	
DSCL	6.75	10.13	10.13	30.40	30.40	30.40	106.41	82.70	124.18	136.96	
DSML	3.77	3.77	3.77	3.77	3.77	3.77	11.31	11.31	16.17	16.17	
EBCC	-	-	-	-	-	-	-	52.10	52.10	72.94	
KCL	-	-	-	-	-	-	-	-	-	50.00	
PCAL	680.00	680.00	906.80	906.67	1,042.67	1,178.67	1,246.67	1,360.00	1,586.67	1,813.34	
RICB	88.80	88.80	196.80	196.80	201.84	336.00	336.00	288.00	336.00	336.00	
STCB	20.00	20.00	26.00	26.00	26.00	26.00	38.00	38.00	38.00	38.00	
TOTAL	1,642.69	1,668.72	2,360.09	2,944.36	3,441.76	3,533.99	4,300.13	4,467.11	4,638.78	5,028.53	

Figure : 2



TOTAL TRADED VOLUME

Company	No. of shares						
	Traded Volume						
	2001	2002	2003	2004	2005	2006	2007
BBCL	-	1,160,153	27,346	3,912	2,965	1,867	-
BBPL	-	230	-	5,000	140	1,403,044	-
BCCL	58	-	6	-	9	61	1,000,000
BDL	-	-	-	-	-	-	-
BFAL	24,750	-	-	100	-	-	-
BNB	124,119	2,898	607,369	51,106	20,997	136,383	23,444
BPCL	-	57,185	1,100	720	-	50	71
BTCL	-	20	17	1,497	35	210,400	-
BTL *	-	-	-	-	-	-	400,000
DFAL *	-	-	-	-	-	407,530	-
DPCL	-	-	-	61,437	-	-	-
DPOP	30,000	-	-	-	33	70,000	50
DSCL	304,032	-	27	120,941	5,699	152,665	3,063
DSML	4,800	-	-	38,130	-	24,185	2,026
DWAL *	-	-	-	-	-	-	417,500
EBCC	-	-	-	-	537,013	4,500	11,607
JMCL *	-	-	-	-	-	85,300	-
KCL	-	-	-	-	-	245,000	-
PCAL	1,393	2,974	679	176	957	8,260	5,260
RICB	2,021	1,583	82,012	6,860	2,350	3,500	5,010
STCB	10	-	-	370	-	-	-
TOTAL	491,183	1,225,043	718,556	290,249	570,198	2,752,745	1,868,031

Figure : 3

YEAR-WISE TRADED SECURITIES

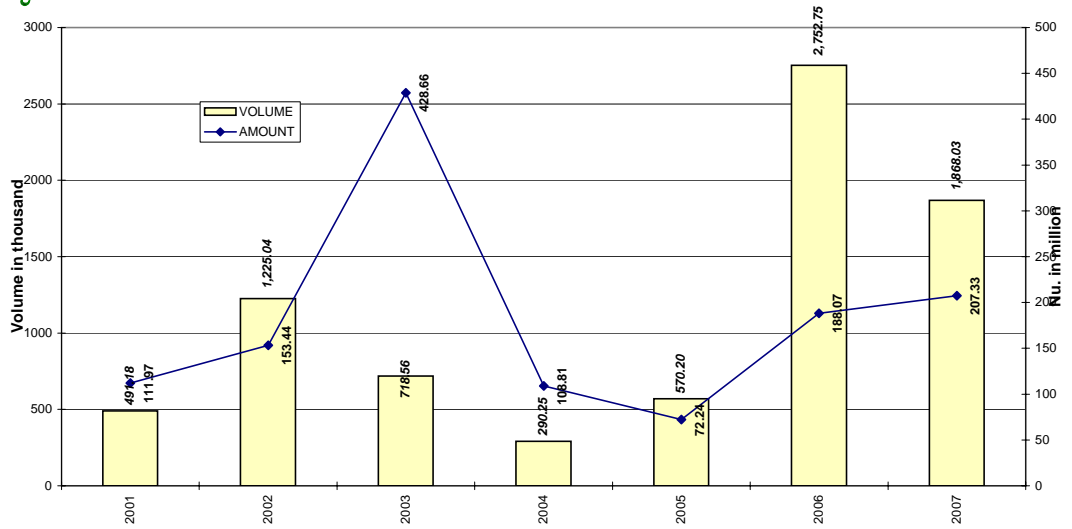
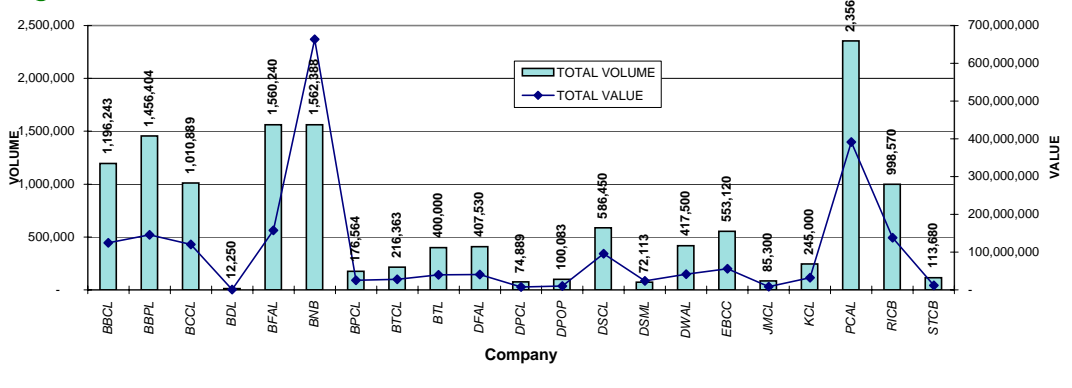


Figure : 4

COMPANY- WISE TRADED SHARES



Note : Figures may not tally due to rounding
 * Not listed on the Exchange

PUBLIC OFFERS (IPO)

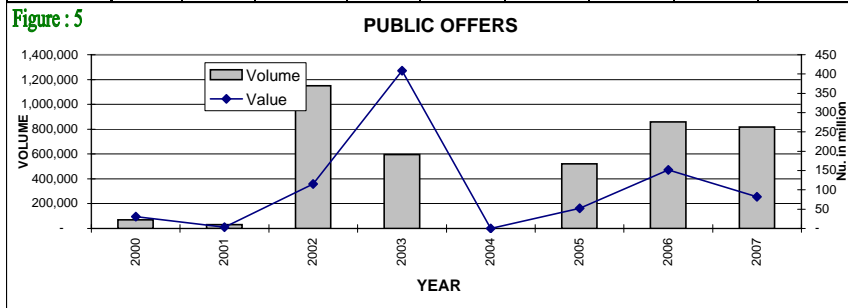
Table 6.1

COMPANY	No. of shares								TOTAL VOLUME
	2000	2001	2002	2003	2004	2005	2006	2007	
BBCL	-	-	1,150,000	-	-	-	-	-	1,150,000
BBPL	-	-	-	-	-	-	-	-	-
BCCL	-	-	-	-	-	-	-	-	-
BDL	-	-	-	-	-	-	-	-	-
BFAL	-	-	-	-	-	-	-	-	-
BNB	-	-	-	595,040	-	-	119,603	-	714,643
BPCL	58,719	-	-	-	-	-	-	-	58,719
BTCL	-	-	-	-	-	-	-	-	-
BTL *	-	-	-	-	-	-	-	400,000	400,000
DFAL *	-	-	-	-	-	-	407,530	-	407,530
DPCL	-	-	-	-	-	-	-	-	-
DPOP	-	30,000	-	-	-	-	-	-	30,000
DSCL	-	-	-	-	-	-	-	-	-
DSML	-	-	-	-	-	-	-	-	-
DWAL *	-	-	-	-	-	-	-	417,500	417,500
EBCC	-	-	-	-	-	521,000	-	-	521,000
JMCL *	-	-	-	-	-	-	85,300	-	85,300
KCL	-	-	-	-	-	-	245,000	-	245,000
PCAL	-	-	-	-	-	-	-	-	-
RICB	10,441	-	-	-	-	-	-	-	10,441
STCB	-	-	-	-	-	-	-	-	-
TOTAL	69,160	30,000	1,150,000	595,040	-	521,000	857,433	817,500	4,040,133

Table - 6.2

COMPANY	Nu. in million								TOTAL VALUE
	TRADED VALUE (IPO)								
	2000	2001	2002	2003	2004	2005	2006	2007	
BBCL	-	-	115.00	-	-	-	-	-	115.00
BBPL	-	-	-	-	-	-	-	-	-
BCCL	-	-	-	-	-	-	-	-	-
BDL	-	-	-	-	-	-	-	-	-
BFAL	-	-	-	-	-	-	-	-	-
BNB	-	-	-	327.27	-	-	77.74	-	405.01
BPCL	5.87	-	-	-	-	-	-	-	5.87
BTCL	-	-	-	-	-	-	-	-	-
BTL *	-	-	-	-	-	-	-	40.00	40.00
DFAL *	-	-	-	-	-	-	40.75	-	40.75
DPCL	-	-	-	-	-	-	-	-	-
DPOP	-	3.00	-	-	-	-	-	-	3.00
DSCL	-	-	-	-	-	-	-	-	-
DSML	-	-	-	-	-	-	-	-	-
DWAL *	-	-	-	-	-	-	-	41.75	41.75
EBCC	-	-	-	-	-	52.10	-	-	52.10
JMCL *	-	-	-	-	-	-	8.53	-	8.53
KCL	-	-	-	-	-	-	24.50	-	24.50
PCAL	-	-	-	-	-	-	-	-	-
RICB	24.53	-	-	81.36	-	-	-	-	105.89
STCB	-	-	-	-	-	-	-	-	-
TOTAL	30.40	3.00	115.00	408.63	-	52.10	151.52	81.75	842.40

Figure : 5



Note : Figures may not tally due to rounding
* Not listed on the Exchange

DEMAT / BONUS

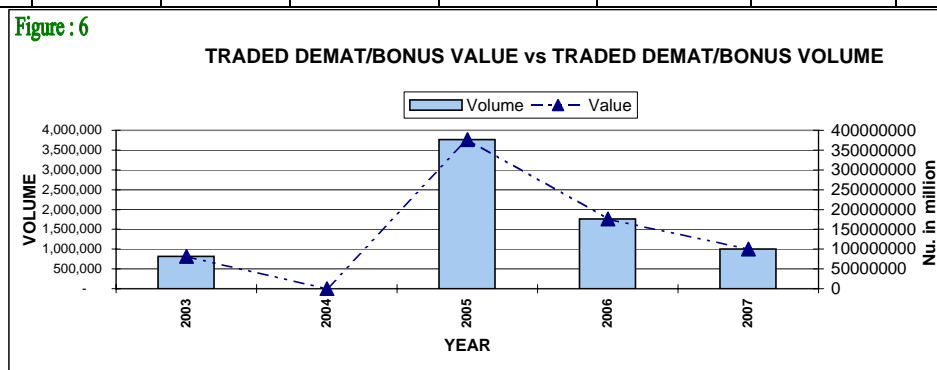
Table - 7.1

COMPANY	TRADED VOLUME					TOTAL VOLUME	Remarks
	2003	2004	2005	2006	2007		
BBPL	-	-	-	1,400,014	-	1,400,014	Demat
BCCL	-	-	-	-	1,000,000	1,000,000	
BFAL	-	-	1,500,000	-	-	1,500,000	Demat
BTCL	-	-	-	209,400	-	209,400	Demat
DSCL	-	-	-	152,511	-	152,511	Bonus
PCAL	-	-	2,266,670	-	-	2,266,670	Demat
RICB	813,600	-	-	-	-	813,600	Demat/ Bonus
TOTAL	813,600	-	3,766,670	1,761,925	1,000,000	7,342,195	

Table - 7.2

COMPANY	TRADED VALUE					TOTAL VALUE	Remarks
	2003	2004	2005	2006	2007		
BBPL	-	-	-	140,001,400.00	-	140,001,400.00	Demat
BCCL	-	-	-	-	100,000,000.00	100,000,000.00	Demat
BFAL	-	-	150,000,000.00	-	-	150,000,000.00	Demat
BTCL	-	-	-	20,940,000.00	-	20,940,000.00	Demat
DSCL	-	-	-	15,251,100.00	-	15,251,100.00	Bonus
PCAL	-	-	226,667,000.00	-	-	226,667,000.00	Demat
RICB	81,360,000.00	-	-	-	-	81,360,000.00	Demat/ Bonus
TOTAL	81,360,000.00	-	376,667,000.00	176,192,500.00	100,000,000.00	734,219,500.00	

Figure : 6



SECONDARY MARKET

Table - 8.1

No. of shares

COMPANY	No. of shares									TOTAL VOLUME
	2000	2001	2002	2003	2004	2005	2006	2007		
BBCL	-	-	10,153	27,346	3,912	2,965	1,867	-	-	46,243
BBPL	5,000	-	230	-	5,000	140	3,030	-	-	13,400
BCCL	4	58	-	6	-	9	61	-	-	138
BDL	-	-	-	-	-	-	-	-	-	-
BFAL	3,500	24,750	-	-	100	-	-	-	-	28,350
BNB	3,773	124,119	2,898	12,329	51,106	20,997	16,780	23,444	-	255,446
BPCL	-	-	57,185	1,100	720	-	50	71	-	59,126
BTCL	-	-	20	17	1,497	35	1,000	-	-	2,569
DPCL	-	-	-	-	61,437	-	-	-	-	61,437
DPOP	-	-	-	-	-	33	70,000	50	-	70,083
DSCL	23	-	-	27	120,941	5,699	154	3,063	-	129,907
DSML	-	4,800	-	-	38,130	-	24,185	2,026	-	69,141
EBCC	-	-	-	-	-	16,013	4,500	11,607	-	32,120
KCL	-	-	-	-	-	-	-	-	-	-
PCAL	3,977	1,393	2,974	679	176	957	8,260	5,260	-	23,676
RICB	1,700	2,021	1,583	652	686	2,350	3,500	5,010	-	17,502
STCB	10,000	10	-	-	370	-	-	-	-	10,380
TOTAL	27,977	157,151	75,043	42,156	284,075	49,198	133,387	50,531		819,518

Table - 8.2

Nu. in million

COMPANY	Nu. in million									TOTAL VALUE
	2000	2001	2002	2003	2004	2005	2006	2007		
BBCL	-	-	1.02	6.74	1.04	0.52	0.24	-	-	9.56
BBPL	0.52	-	0.02	-	0.45	0.01	0.30	-	-	1.30
BCCL	0.02	0.29	-	0.03	0.00	0.06	0.37	-	-	0.77
BDL	-	-	-	-	0.00	-	-	-	-	-
BFAL	-	3.47	-	-	0.05	-	-	-	-	3.52
BNB	2.06	60.16	3.83	6.93	34.36	13.85	11.31	17.40	-	149.90
BPCL	-	-	13.28	0.33	0.17	0.60	0.01	0.01	-	14.39
BTCL	0.470	-	0.04	0.02	2.49	-	0.17	-	-	3.19
DPCL	-	-	-	-	6.31	-	-	-	-	6.31
DPOP	-	-	-	-	0.00	0.10	7.00	0.01	-	7.11
DSCL	0.002	-	-	-	47.86	1.51	0.04	0.87	-	50.28
DSML	-	0.480	-	-	12.68	-	9.29	0.87	-	23.32
EBCC	-	-	-	-	-	2.29	0.45	1.18	-	3.92
KCL	-	-	-	-	-	-	-	-	-	-
PCAL	13.96	5.88	13.65	3.40	0.94	0.97	6.15	3.64	-	48.59
RICB	7.41	8.29	6.62	2.58	2.40	0.86	1.22	1.61	-	30.99
STCB	1.30	0.001	-	-	0.06	-	-	-	-	1.36
TOTAL	25.74	78.57	38.46	20.03	108.81	20.77	36.55	25.59		354.51

Figure : 7

YEAR-WISE TRADED VALUE vs TRADED VOLUME IN SECONDARY TRADE

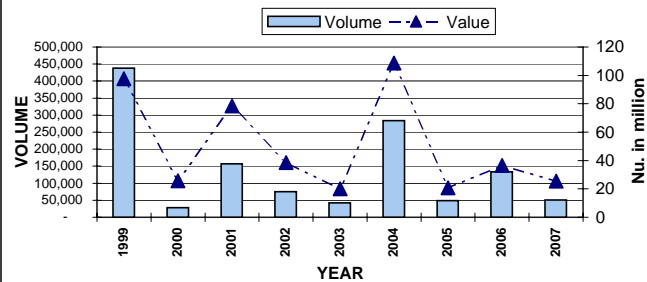


Figure : 8

Percentage turnover in IPO's & Secondary Market (2000 - 2007)

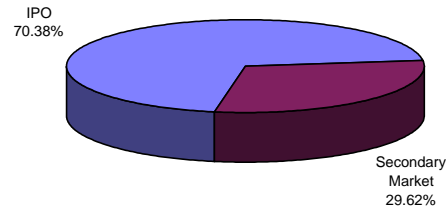


Table - 9 MARKET PRICE

Company	Year	Market Price		Year End Closing Price
		High	Low	
BCCL	2002	5,000	4,000	5,000
	2003	5,200	5,000	5,000
	2004	5,000	5,000	5,000
	2005	8,000	5,000	6,000
	2006	6,000	6,000	6,000
	2007	N.A	N.A	600 *
RICB	2002	4,205	4,100	4,205
	2003	4,205	1,000	3,500
	2004	3,650	3,000	3,500
	2005	420	300	300 *
	2006	350	300	350
	2007	350	299	350
PCAL	2002	4,600	4,000	4,600
	2003	5,300	4,400	5,200
	2004	5,500	4,000	5,500
	2005	600	440	600 *
	2006	800	650	700
	2007	800	550	800
BTCL	2002	2,000	1,500	1,500
	2003	1,500	1,000	1,000
	2004	1,701	1,000	1,701
	2005	1,701	1,701	1,701
	2006	170	170	170 *
	2007	N.A	N.A	170
BFAL	2002	140	140	140
	2003	140	140	140
	2004	510	510	510
	2005	510	510	510
	2006	510	100	510
	2007	N.A	N.A	510
BBPL	2002	89	89	89
	2003	89	89	89
	2004	90	90	90
	2005	90	90	90
	2006	100	100	100
	2007	N.A	N.A	100
BDL	2002	100	100	100
	2003	100	100	100
	2004	100	100	100
	2005	100	100	100
	2006	100	100	100
	2007	N.A	N.A	100
BBCL	2002	100	100	100
	2003	350	100	100
	2004	310	245	245
	2005	200	140	200
	2006	220	100	100
	2007	-	-	-

Table - 9..... Contd. MARKET PRICE

Company	Year	Market Price		Year End Closing Price
		High	Low	
BNB	2002	2,000	1,100	2,000
	2003	2,000	550	550
	2004	750	650	650
	2005	750	645	650
	2006	750	650	650
	2007	805	635	805
DPCL	2002	100	100	100
	2003	100	100	100
	2004	100	120	120
	2005	120	120	100
	2006	120	100	120
	2007	N.A	N.A	120
DSML	2002	100	100	100
	2003	100	100	100
	2004	370	300	300
	2005	370	300	300
	2006	429	300	429
	2007	429	429	429
BPCL	2002	300	205	250
	2003	300	250	250
	2004	240	240	240
	2005	240	240	240
	2006	100	100	100
	2007	100	100	100
STCB	2002	130	130	130
	2003	130	130	130
	2004	130	190	190
	2005	190	130	190
	2006	190	190	190
	2007	N.A	N.A	190
DSCL	2002	100	100	100
	2003	100	100	100
	2004	400	350	350
	2005	400	250	272
	2006	272	100	272
	2007	300	275	300
DPOP	2002	100	100	100
	2003	100	100	100
	2004	100	100	100
	2005	350	350	350
	2006	100	100	100
	2007	200	200	200
EBCC	2005	200	100	100
	2006	100	100	100
	2007	140	100	140
KCL	2007	100	100	100

* Drop in figures are due to splitting of shares from Nu.1,000 to Nu.100 per shares
 Note : NA - no secondary transactions

YEAR-WISE SECURITIES HOLDINGS IN THE CENTRAL DEPOSITORY

Table - 10

Company	Yearwise turnover of Securities in Depository					Paid Up Shares for 2006	Face Value (IPO) Price	Last Sale Price (Nu.)	Total Holdings Nu. in Millions (2007)	Percent holdings of securities in Depository
	2003	2004	2005	2006	2007					
BBCL	1,150,000	1,150,000	1,150,000	1,150,000	-	-	100	100	-	-
BBPL	498,100	498,100	498,100	1,400,014	1,400,014	1,400,014	100	100	140,001,400	100%
BCCL	43,204	43,204	43,204	43,204	1,000,000	1,000,000	100	600	600,000,000	100%
BDL	12,250	12,250	12,250	12,250	12,250	140,929	100	100	14,092,900	9%
BFAL	59,850	59,850	1,500,000	1,500,000	1,500,000	1,500,000	100	510	765,000,000	100%
BNB	1,190,080	1,190,080	1,190,080	1,190,080	1,190,080	1,190,080	100	650	773,552,000	100%
BPCL	117,438	117,438	249,334	249,334	249,334	249,334	100	100	24,933,400	100%
BTCL	10,220	10,416	10,416	209,400	209,400	209,400	100	170	35,598,000	100%
DPCL	62,370	62,370	62,370	62,370	62,370	62,370	100	120	7,484,400	100%
DPOP	30,000	30,000	30,000	100,000	100,000	100,000	100	100	10,000,000	100%
DSCL	304,032	304,032	304,032	456,543	456,543	456,543	100	272	124,179,696	100%
DSML	2,972	37,702	37,702	37,702	37,702	37,702	100	429	16,174,158	100%
KCL	-	-	-	-	500,000	500,000	100	100	50,000,000	100%
PCAL	76,647	76,647	2,266,670	2,266,670	2,266,670	2,266,670	100	700	1,586,669,000	100%
RICB	96,000	96,000	960,000	960,000	960,000	960,000	100	350	336,000,000	100%
STCB	200,000	200,000	200,000	200,000	200,000	200,000	100	190	38,000,000	100%
EBCC			520,000	520,000	520,000	520,000	100	100	52,000,000	100%
TOTAL:-	3,853,163	3,888,089	8,514,158	9,837,567	10,664,363	10,793,042			4,573,684,954	98.81%

Figure : 9

YEAR-WISE SECURITIES HELD IN CENTRAL DEPOSITORY

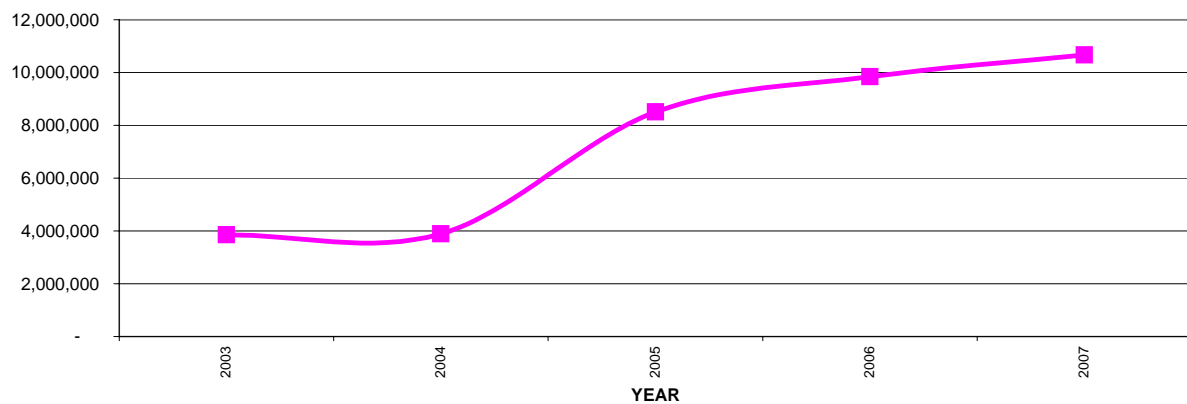


Figure : 10

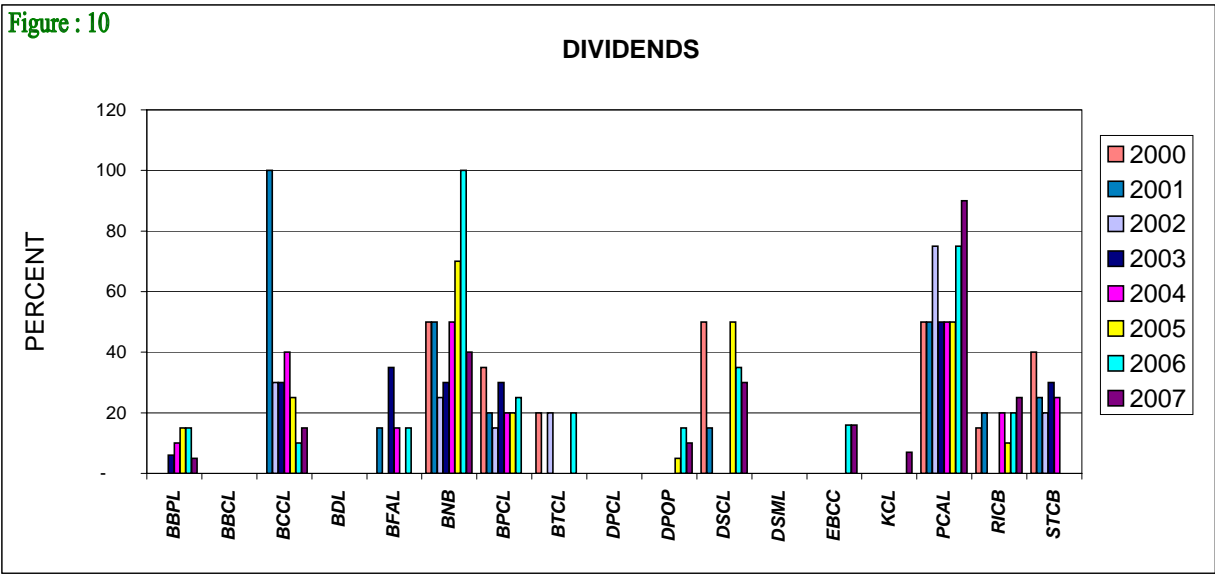


Figure : 11

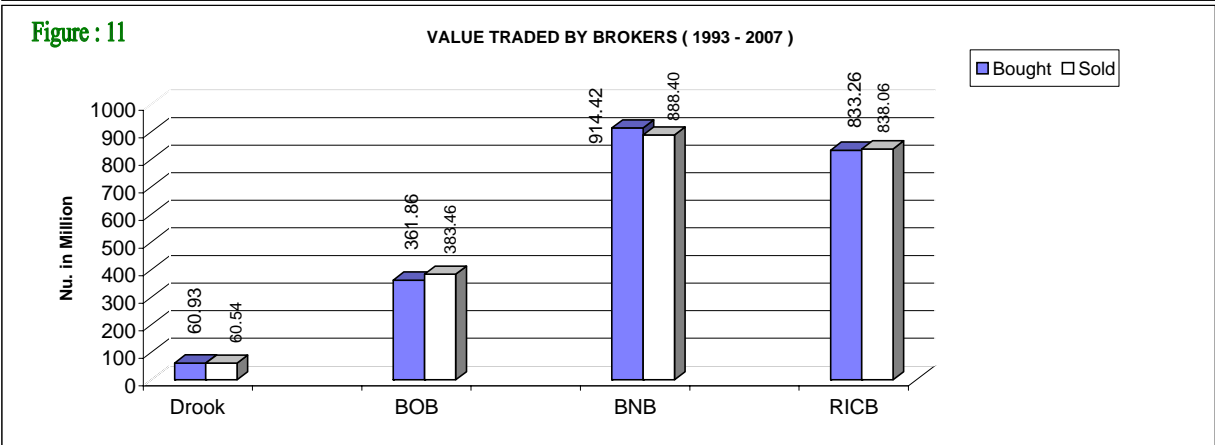


Figure : 12

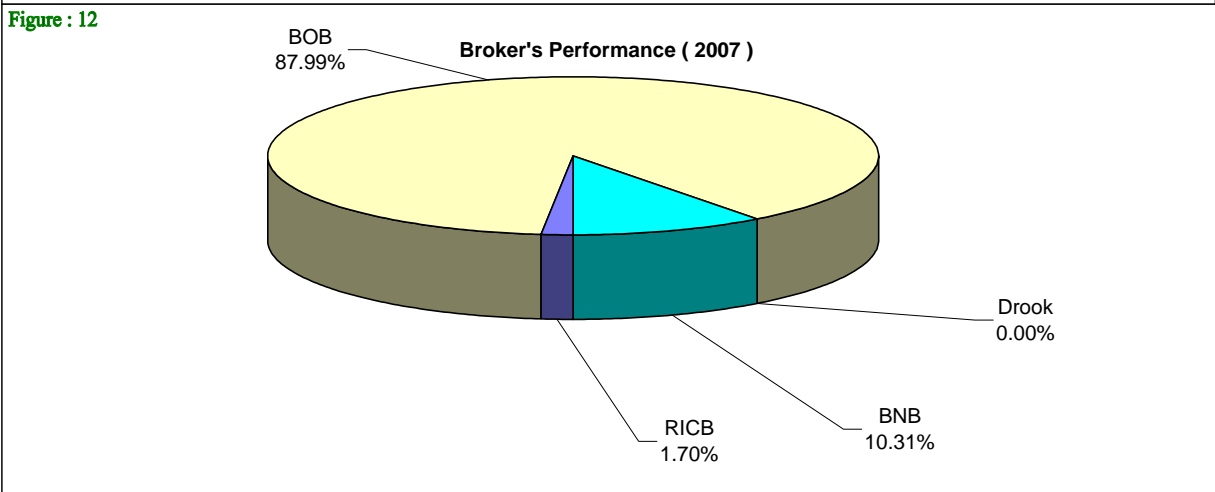


Figure : 13

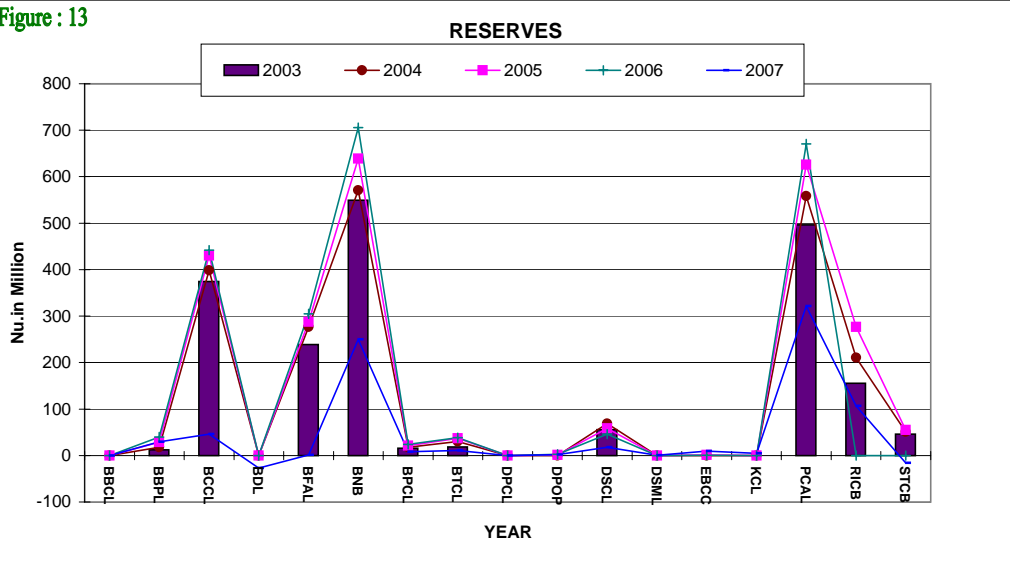


Figure : 14

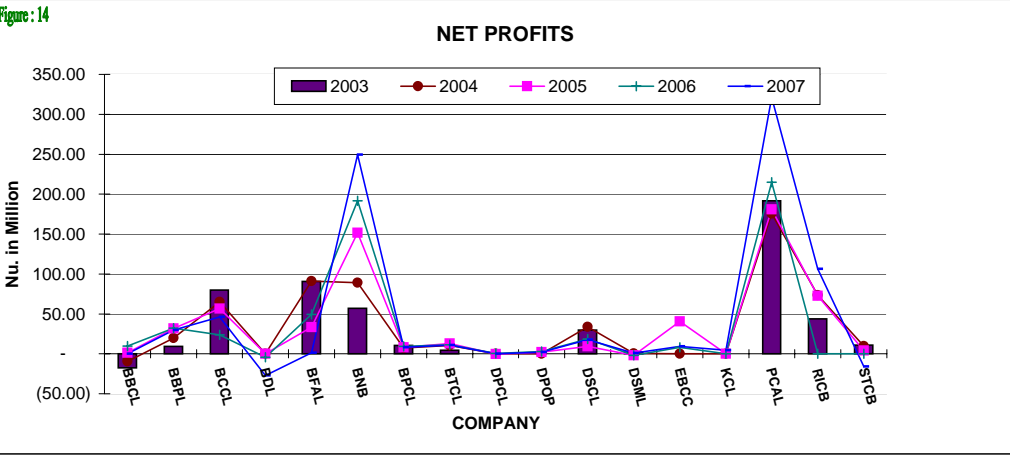


Figure : 15

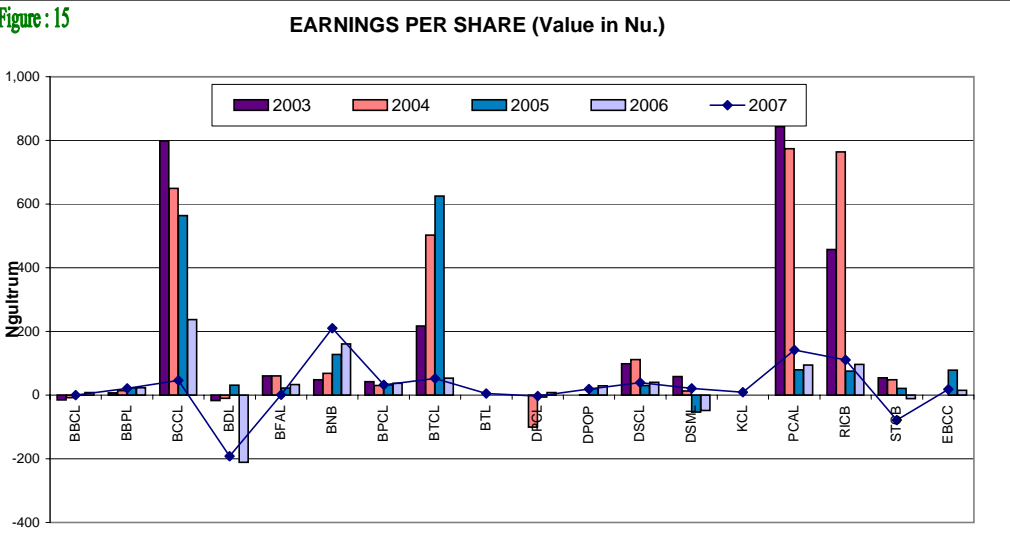


Figure : 16

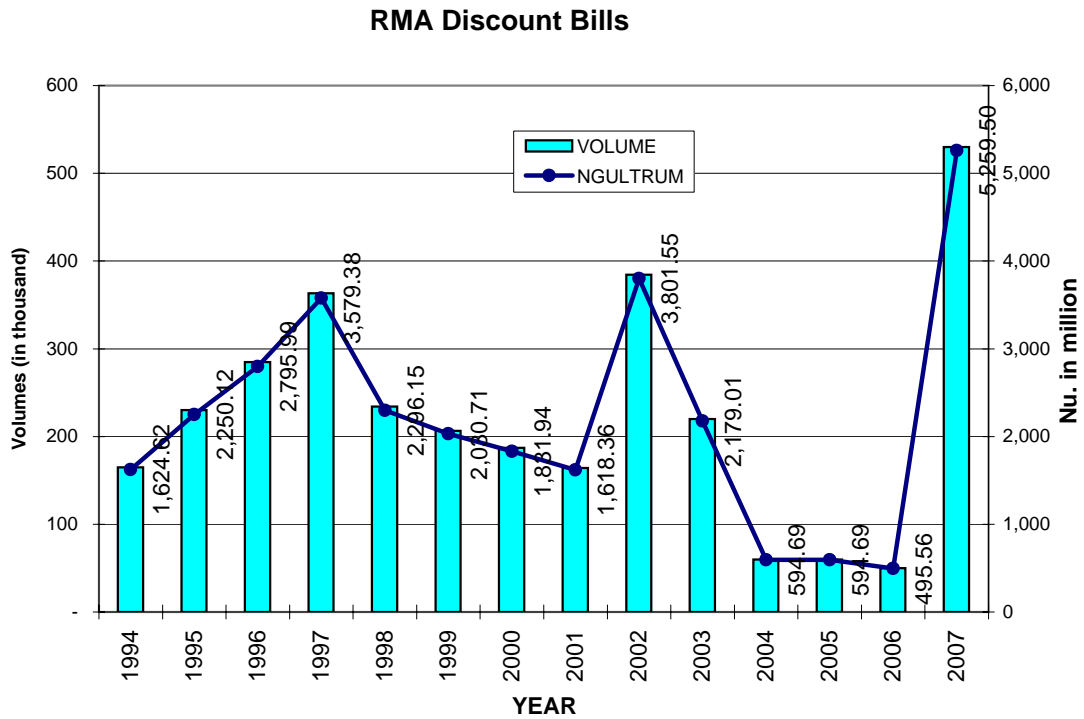
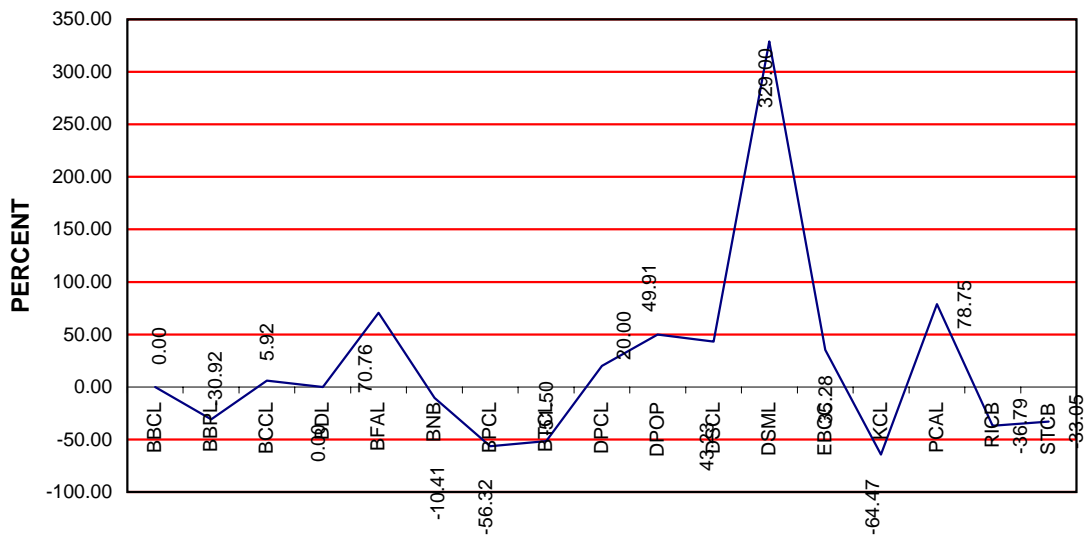


Figure : 17

COMPARISON OF PRICES - 2007 BOOK VALUE AGAINST MARKET PRICE (PERCENTAGE)



* Zero indicates Book Value Equals to Market Price

Figure : 18

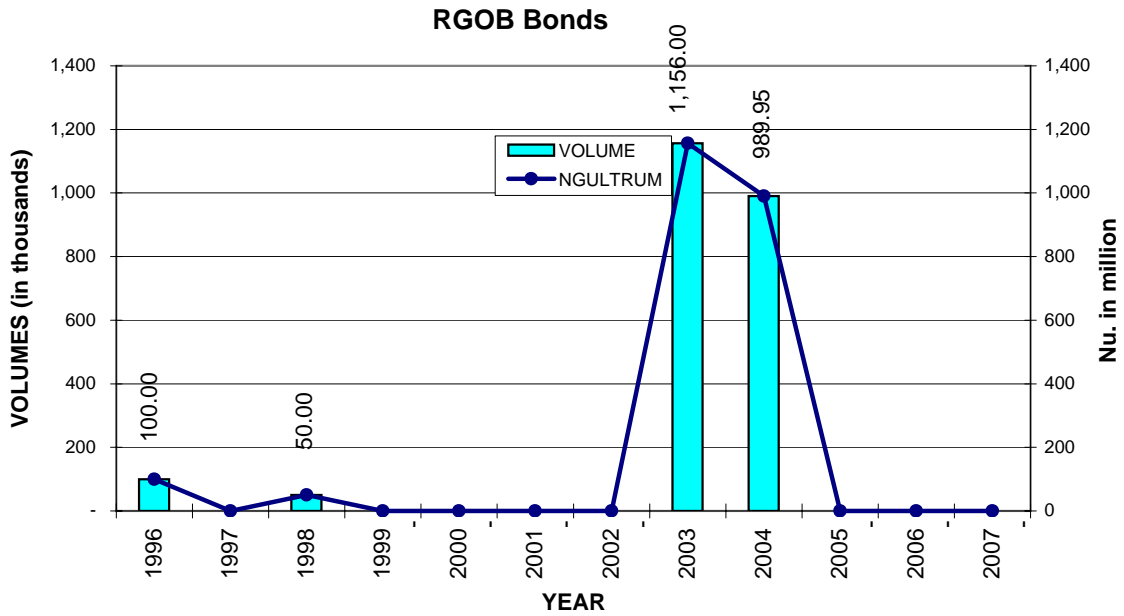
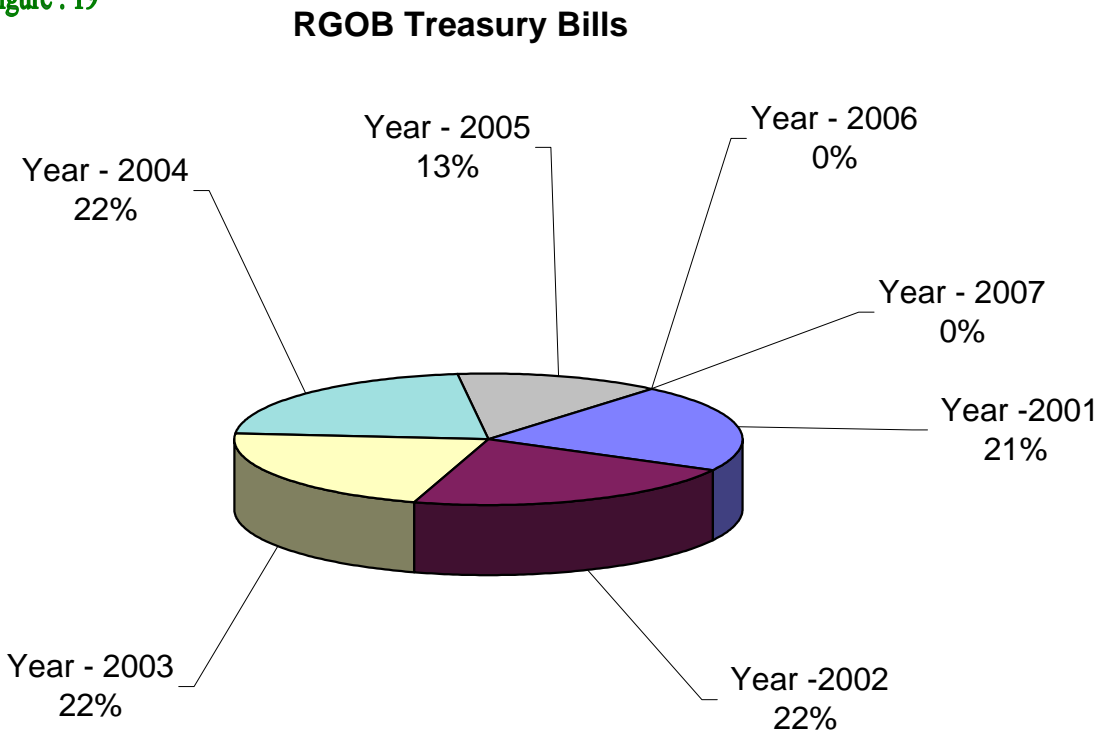


Figure : 19



ROYAL SECURITIES EXCHANGE OF BHUTAN LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2007

Sources of Funds	2007 (Nu.)	2006 (Nu.)
	<hr/>	<hr/>
Share Capital	2,000,000.00	2,000,000.00
General Reserve	3,504,533.17	3,248,031.48
Capital Grants	0.00	191,053.90
Total	5,504,533.17	5,439,085.38
	<hr/>	<hr/>
Application of Funds		
Fixed Assets		
Gross Block	4,336,474.22	4,265,722.22
Less : Accumulated Depreciation	(3,313,357)	(2,772,996)
	<hr/>	<hr/>
	1,023,117.36	1,492,726.66
Investments	2,725,000.00	2,725,000.00
Current Assets:		
Cash and Bank Balances	2,313,919.23	1,614,447.85
Loans and Advances	138,612.89	76,638.83
Other Assets	205,070.10	233,372.20
	<hr/>	<hr/>
	2,657,602.22	1,924,458.88
Less: Current Liabilities	901,186.41	703,100.16
Net Current Assets	<hr/>	<hr/>
	1,756,415.81	1,221,358.72
Total	5,504,533.17	5,439,085.39
	<hr/>	<hr/>

ROYAL SECURITIES EXCHANGE OF BHUTAN LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 (Nu.)	2006 (Nu.)
Income		
Revenue and Commission	2,431,205.58	2,274,803.93
Other Income	324,687.72	244,387.03
Total	2,755,893.30	2,519,190.96
Expenditure		
Employees Remuneration & Benefits	1,330,746.00	1,202,095.00
Other Expenses	709,408.91	970,021.63
Depreciation	349,307.40	158,389.16
Total	2,389,462.31	2,330,505.79
Profit before Tax	366,430.99	188,685.17
Provision for Taxation	109,929.30	56,605.55
Profit / (Loss) after tax transferred to General Reserve	256,501.69	132,079.62

ROYAL SECURITIES EXCHANGE OF BHUTAN LIMITED

CASH FLOW STATEMENT FOR YEAR ENDED ON 31 DECEMBER 2007

	2007	2006
	(Nu.)	(Nu.)
Net Cash Flow from Operating Activities	279,959.62	276,179
Returns on Investments and Servicing of Finance	204,020.56	204,021
Taxation	(109,929.30)	(56,606)
Capital Expenditure	70,752.00	976,337
Net Cash Inflow/(Out Flow) from Investing activities	-	-
Financing	-	-
Net Cash Inflow/(Out Flow) after financing	444,803	1,399,931
Increase / (Decrease) in Cash	699,471.38	(777,627)

NOTIFICATION**Sub : Shareholders attendance in Annual General Meetings/EOGM**

Further to the Continuing Disclosure Requirement item no. A 5.03 of the Listing Rules it is hereby notified for the benefit of the general public that the listed companies shall take further measures to improve the participation of shareholders in the Annual General Meeting or Extraordinary General Meetings for improving relationship and understandings. In order to boost the prevailing poor responses from the shareholders the issuers are requested to use different media services or use personal contact system and provide sufficient time (at least 21 days) to reach information to them. Every measure taken up by the companies in this respect shall henceforth be filed with the RSEB and copy to the Office of the Registrar of Companies.

On the other hand, all interested shareholders of the companies are also requested to cooperate and attend the Annual General Meeting or the Extraordinary General Meeting fixed by the company during which the affairs of the company are decided. Therefore, shareholders are requested to at least respond to the company's invitations for AGM/EOGM as your decision is of vital importance to further improve the health of the companies in which the shareholders have capitalized.

Chief Executive Officer

RSEB/GEN/794

February 15, 2007

NOTIFICATION

In order to bring uniformity in the RECORD DATES of listed companies it is hereby notified that the record date of the listed companies shall henceforth, be fixed on 31st December of each calendar year. Simultaneously, it is also to ensure that right dividends go to the right beneficiaries from any oversight or mismatch created by the application of T+3 principles and the record date fixed on ad hoc basis. Henceforth, all shareholders who appear in the company's register as on the record date shall automatically be treated as cum-dividend and shall entitle for dividends, if declared by the company. Here, it might be explained that in applying the principles of T+3 clearance and settlement cycle at the RSEB the shares bought in the secondary market takes three business days from the first day of trading, before the ownership are allowed to be transferred in the buyer's name as beneficial owner.

Therefore, any share bought on or before 27th December of each calendar year shall qualify for dividends claims (cum-dividend) and any share bought on or after 28th December of the calendar year are treated as ex-dividend and shall not qualify of dividends, if any.

The Royal Securities Exchange of Bhutan shall continue to conduct trading in the secondary market and no request for suspension of trade shall be entertained during the record date-period.

Chief Executive Officer

RSEB/GEN/795

February 15, 2007

NOTIFICATION

This is for general notice that any listed company which has the normal practice of not indicating the proposed dividends in their Audited Accounts should henceforth treat it as one of the important parts of declarations of financial statements. This has been notified in order to prevent any entitlements, which might be due for the calendar year, do not fall into wrong beneficiary. Therefore, the managements of the companies are hereby requested for strict compliance.

Chief Executive Officer
