

SHAREHOLDER'S NEWS

Malta Association of Small Shareholders - MASS VO 0629

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Editorjal

minn Tarcisio Barbara



Hbieb, nispera li tinsabu tajbin bħalma ninsabu aħna. Iz-żmien għaddej u ma jistenna lil hadd u hekk issa wasalna fit-tielet xahar tas-sena u jekk Alla jrid dalwaqt jibda l-istaġun tal-laqgħat ġenerali annwali (AGM's); filfatt diġà bdejna naghmlu laqgħat ma' diversi kumpaniji fejn nitolbu informazzjoni fuq l-andament tal-Kumpaniji u naghmlu numru ta' mistoqsijiet għall-benefiċċju tal-membri tagħna. Dan huwa it-tieni fuljett ta' din is-sena; bħas-soltu b'tagħrif u artikli interessanti, ritratti, kif ukoll numru ta' avvizi.

F'din in-Newsletter numru 43 għax-xahar ta' Marzu 2019, se ssibu: l-**Editorjal** u l-**Impenji tal-MASS** miktuba minni. Imbagħad għandkom artiklu miktub mill-President tal-MASS Alfred Portelli: **L-MFSA tnedi il-Viżjoni 2021**. Wara ser issibu artiklu bl-Ingliż: **What are Leading, Lagging and Coincident Indicators?**, mill-Assistent Segretarju Internazzjonali Anthony Said. Ikun imiss artiklu qasir tiegħi: **Bids and Offers**. Imbagħad ikun imiss artiklu iehor bl-Ingliż mis-Sur Edward Rizzo: **The 2018 Equity Market review – Part 2**, fejn ikompli mill-harġa ta' Frar. Fl-aħħar żewġ paġni ta' din in-Newsletter, issibu l-**Avviż tal-Laqgħa Ġenerali Annwali tal-MASS**, l-**Avviż tal-Konferenzi li jmiss ta' Marzu u Mejju** u l-**Applikazzjoni għal Shubija fil-MASS**.

Jalla se ssibu din ir-rivista interessanti wkoll; min naħa tagħna nixtiequ nisimghu l-kummenti tagħkom. Min għandu xi artiklu li nistgħu nipubblikawh, jekk jogħġobkom għaduhulna. Nirringrazzjakom ħafna tal-appoġġ u nirringrazzja b'mod speċjali lill-isponsors kollha li tarawhom fil-lista **MASS Sponsors** fl-aħħar paġna. Inrodd ħajr ukoll f'isem il-MASS lill-kontributori kollha għal dan il-fuljett fosthom: is-Sur Edward Rizzo minn Rizzo Farrugia & Co. StockBrokers.

Impenji tal-MASS

Fit-3 ta' Frar, 2019, il-President tal-MASS kien mistieden għall-konferenza mill-Awtorità Maltija għas-Servizzi Finanzjari (MFSA) ġewwa l-lukanda Corinthia San Ġorġ, San Ġiljan, bis-sugġett: L-MFSA tnedi il-Viżjoni 2021. Rapport qasir ta' din il-laqgħa jinsab f'paġna 3.

Fit-12 ta' Frar, 2019, saret il-konferenza ta' Frar fis-sala tal-Borża ta' Malta, fejn Profs. J. Falzon, Lettur fl-Università u Viċi-Ċermen tal-Borża ta' Malta, għamel taħdita bis-sugġett "Portfolio Management Part 2" li kienet tkomplija ta' taħdita oħra li nbdiat xi 3 xhur qabel. It-taħdita kienet interessanti u attendew numru sabiħ ta' membri. Wara l-istess membri u oħrajn intbagħttilhom il-*power-point* tat-taħdita permezz ta' imejl. (*ritratti fil-paġna li jmiss*)

Indirizz

Editur, ritratti u ssettjar: Tarcisio Barbara
Disinn tal-Logo u Stampat:
Print Right Ltd. - Qormi

Kull ma jinkiteb f'dan il-fuljett mhux bilfors jirrifletti l-fehma tal-Membri tal-Kumitat tal-MASS.



Fit-13 ta' Frar, 2019, uħud mill-Kumitat tal-MASS attendejna għal-laqgħa ġenerali annwali tal-Kumpanija Maltapost, li saret fil-Lukanda Westin, San Ġiljan. Intqal li l-qlieġ tal-kumpanija naqas b'14 fil-mija, imma d-dħul żdied. Kif nagħmlu dejjem, ressaqna numru ta' mistoqsijiet għall-benefiċċju tal-Investituri ta' din il-Kumpanija. Uħud mill-membri preżenti lmentaw li s-servizz tat-tqassim tal-posta mar xi ffit lura. Iċ-Ċermen is-Sur Joseph Said fir-risposta tiegħu qal li dan huwa dovut għax bħalissa hemm numru sostanzjali ta' Pustiera barranin.

Fid-19 ta' Frar, 2019, membri tal-Kumitat tal-MASS attendejna għat-tnedija tal-kontijiet finanzjarji tal-Bank HSBC li saret fil-Kamra tal-Kummerċ, il-Belt Valletta. Kif tafu il-bank naqqas il-qlieġ meta kkumparat mas-sena l'ohra. Jien staqsejt lill-Uffiċjal Kap Eżekuttiv, is-Sur Andrew Bean, x'mizuri qed jiehdu wara l-attakk ċibernetiku li sar fil-Bank BOV u li għal din ir-raġuni l-Azzjonisti huma preokkupati. Is-Sur Bean qal li dawn l-attakki jistgħu jsiru lil kull Bank, imma min naħa tagħhom huma qed jagħmlu dak kollu possibli biex jipprevenu attakki bħal dawn. Il-bank se jagħti dividend gross ta' 1.8 ċenteżmi għal kull sehem li b'kollox il-Bank jiġi ta' dividend gross ta' 5.8 ċenteżmi.

Fid-19 ta' Frar, 2019, ukoll saret il-laqgħa tal-Kumitat tal-MASS fil-Borża ta' Malta. Fost affarijiet ohra tkellimna fuq dawn is-sugġetti: l-attakk ċibernetiku fuq il-Bank BOV, korsijiet ta' edukazzjoni għall-Investituri mill-Borża ta' Malta, stedinet għall-programmi fuq it-tv u radju, l-organizzar tal-konferenza li jmiss, in-Newsletter ta' Marzu u fl-aħħar iddiskutejna l-laqgħa ġenerali annwali tal-MASS li għandha ssir f'Marzu.



Fit-22 ta' Frar, 2019, il-membri tal-Kumitat tal-MASS, ġejna mistiedna mill-Borża ta' Malta għall-Inawgurazzjoni ta' 3 Indiċi tal-Bonds. Għal din l-okkażjoni kienu mistiedna, il-Ministru tal-Finanzi Profs Edward Scicluna, Uffiċjali mill-Ministeru tal-Finanzi, kif ukoll Uffiċjali u haddiema mill-Borża ta' Malta. Saru diskorsi miċ-Ċermen is-Sur Joseph Portelli u l-Viċi Ċermen tal-Borża ta' Malta, Profs J. Falzon, fejn tkellmu fuq l-innovazzjonijiet li għamlet

il-Borża ta' Malta, fosthom li f'dawn l-aħħar granet bdiet tipprovdi l-*Bids* u l-*Offers* fuq il-websajt tagħha. Fl-aħħar għamel il-messagġ tiegħu il-Ministru Scicluna, fejn faħħar ix-xogħol kontinwu li qed tagħmel il-Borża ta' Malta għall-ġid tal-Investituri.

Għal-lum se nieqaf hawn u jekk Alla jrid nergħu niltaqgħu b'harġa oħra tan-Newsletter fil-ġimgħat li ġejjin, filwaqt li nawguralkom is-saħha.

Hafna informazzjoni f'dan l-artiklu u li ġbarna minn dawn il-laqgħat, kollha hi pubblika.

L-MFSA tniedi Il-Vizjoni 2021

Alfred Portelli - President MASS



L-Awtorità Maltija għas-Servizzi Finanzjarji (MFSA), fl-aħħar ta' Jannar li għadda, nediet il-Vizjoni tagħha 2021. Iċ-Ċermen, Prof. John Mamo, u l-Uffiċċjal Kap Eżekuttiv, is-Sur Joseph Cuschieri, għoġobhom jistiednu wkoll lill-Assoċjazzjoni tagħna l-MASS, fost oħrajn. Għaliha attendejt jiena bhala rappreżentant tal-Assoċjazzjoni Maltija tal-Azzjonisti z-Żgħar (MASS).

Għalhekk, inħoss li għandi nwaslilkom fil-qosor xi tagħrif dwar il-Vizjoni 2021. Fost affarijiet oħra, il-Prim Ministru Dr. Joseph Muscat, qal li l-Gvern qed jappoġġja l-bidla ta' din l-Awtorità u li l-programm ta' riforma li se ssir, se ssehh b'mod li tibqa' tkun wahda mill-aqwa Awtoritajiet regolatorji fis-servizzi finanzjarji Ewropej. Waqt illi s-Segretarju Parlamentari għas-Servizzi Finanzjarji, Dr. Silvio Schembri, qal li l-Gvern qed jaħseb biex ikollna Awtorità tal-oġhla kalibru, mhix biss f'Malta iżda meta kkumparat mal-bqija tal-ekosistema Ewropea.

Is-Sur Cuschieri qal li l-Vizjoni 2021 se ssir bil-għan li turi t-triq ta' fejn l-MFSA trid tmur fil-ġejjieni – id-direzzjoni fejn sejjer il-pajjiż. Semma' li jridu jimxu fuq sitt binjarji. Il-bidliet proposti f'din il-vizjoni għal din l-istruttura tal-organizzazzjoni huma disinjati biex isahhu l-governanza u jipprovdu iżjed linji ċari ta' aktar responsabbiltà u akkontabilità. Iridu jinvolvu lill-*stakeholders* anke dawk internazzjonali; li jkunu eqreb lejn l-*standards* tal-Ewropoli; jinvestu realment fir-rizorsi umani u MFSA favur il-bidla.



Il-Kwartieri tal-MFSA

Warajh, għamel il-preżentazzjoni tiegħu, Dr. Christopher Buttigieg, bis-sugġett "FinTech Strategy", pjan mibni fuq sitt pilastri, bil-għan li Malta tkun "Hub" internazzjonali fl-innovazzjoni: 1. Regolamenti – *Reg. Tech/ Sup. Tech*; 2. Ekosistema li ssahha is-suċċess; 3. Arkitettura; 4. *Links* internazzjonali dwar strateġiji ta' prijarità - ġurisdizzjonijiet; 5. Tagħrif – talent li jwassal għall-ideat, tiftix u żvilupp; u 6. Sigurtà. Hemm kunfidenza u tama f'din is-sistema. Il-*focus* huwa fuq it-teknoloġija, prodotti godda u innovazzjoni.

Għal din l-okkażjoni, l-MFSA ippubblikat żewġ dokumenti: *MFSA Vision 2021- Strengthening the MFSA and Preparing for the Next Generation of Financial Services*, u *MFSA FinTech Strategy – harnessing innovation through technology – Consultation Document*. Tajjeb illi ngħarrafkom ukoll illi fl-ewwel dokument li semmejt fl-introduzzjoni tan-nota tiegħu, iċ-Ċermen Prof. Mamo qal illi s-suq tas-servizzi finanzjarji jippreżenta ambjent dinamiku u li dejjem jinbidel. Qal ukoll illi l-MFSA hija determinata li tkun Awtorità minn ta' quddiemnet fit-tmexxija tas-supervizjoni.

What are leading, lagging and coincident Indicators?

By Assistant International Secretary Anthony Said Dip. Ed. (admin. & Mangt.) Dip. Fin. Ser.



An indicator is anything that can be used to predict future financial or economic trends. For example, the social and economic statistics published by accredited sources, such as the various departments in the U.S. government, are indicators. Some of the popular indicators they put out include unemployment rates, housing starts, inflationary indexes, and consumer confidence.

Official indicators must meet certain set criteria; there are three categories of indicators, classified according to the types of predictions they make.

Leading indicators - These types of indicators signal future events. Bond yields are thought to be a good leading indicator of the stock market because bond traders anticipate and speculate trends in the economy (even though they aren't always right). New housing starts, money supply, and M2 are considered good leading indicators.

Lagging indicators - A lagging indicator is one that follows an event. The importance of a lagging indicator is its ability to confirm that a pattern is occurring. Unemployment is one of the most popular lagging indicators. If the unemployment rate is rising, it indicates that the economy has been doing poorly. Another example of a lagging indicator is the Consumer Price Index (CPI) which measures changes in the inflation rate.

Coincident indicators - These indicators occur at approximately the same time as the conditions they signify. Rather than predicting future events, these types of indicators change at the same time as the economy or stock market. Personal income is a coincidental indicator for the economy: high personal income rates will coincide with a strong economy. The gross domestic product (GDP) of an economy is also a coincident indicator.

In summary, leading indicators move ahead of the economic cycle, coincident indicators move with the economy, and lagging indicators trail behind the economic cycle.

Bids and Offers

By Tarcisio Barbara - PRO MASS



On 6th. February 2019, the Malta Stock Exchange announced that it updated its website www.borzamalta.com.mt which enables Investors to start publishing data on best bids and best offers across equities, corporate bonds as well as Malta Government Stocks. This data is available under the 'Trading Board' tab as 'Best Bids and Offers' showing the best bid and offer available at the time per security. Users may click on each security to retrieve the five best bids and five best offers, including volumes available. The data is updated every 15 minutes.

Fis-6 ta' Frar 2019, il-Borża ta' Malta habbret li aġġornat il-websajt tagħha www.borzamalta.com.mt biex tippermetti lill-Investituri jibdew jippubblikaw data dwar l-aħjar offerti tax-xiri u l-aħjar offerti tal-bejgħ, fost l-ishma, bonds tal-kumpaniji, kif ukoll Stocks tal-Gvern ta' Malta. Din id-data hija disponibbli taħt it-tab 'Trading Board' bhala 'Best Bids and Offers' li turi l-aqwa offerta tax-xiri u l-offerta tal-bejgħ disponibbli fil-hin għal kull ekwità, bond jew stock. L-utenti jistgħu jikklikkjaw fuq kull ekwità, bond jew stock, biex jiksbu l-aqwa hames offerti tax-xiri u l-hames l-aħjar offerti tal-bejgħ, li jinkludi l-kwantità disponibbli. Id-data hija aġġornata kull 15-il minuta.

The 2018 Equity Market Review – Part 2

By Mr Edward Rizzo

In last edition's article I reviewed the main developments that contributed to the positive share price performance of the top four gainers on the MSE. However, due to space limitations, it was not possible to highlight the other notable developments that characterised the equity performance and trading activity across other companies.

Following the 8.5% increase in 2017, the share price of GO advanced by a further 11.6% during the past 12 months closing the year at the €3.96 level after reaching a fresh multiyear high of €4.10 in mid-October shortly following the announcement of the planned sale of up to 49% of the share capital of BMIT Technologies plc via an Initial Public Offering. The partial sale of GO's subsidiary was approved by shareholders during an Extraordinary General Meeting on 3 December and the prospectus was published yesterday following approval by the Listing Authority earlier this week. GO shareholders now await the eventual decision of the Board of Directors as to the planned use of the proceeds. In the explanatory circular and also at the AGM, GO had claimed that the proceeds of up to €49 million will be used "to deliver returns to shareholders". As such, assuming the IPO is successful and GO manages to dispose of the maximum amount on offer, the market then awaits the extent of the distribution of the windfall gain and also whether this will be distributed immediately following the IPO being concluded in February or whether the special dividend will be combined with the customary annual dividend in May.

FIMBank plc conducted a large rights issue at a price of USD0.55 in the first half of the year with the strong participation of the two principal shareholders – Burgan Bank S.A.K. and United Gulf Holdings Company B.S.C. The share price skidded by 26.8% in the first six months to a low of USD0.505 but the equity rallied by 48.5% during the past six months to end the year with an overall gain of 8.7%. The sharp recovery in the share price in recent months commenced following the publication of the 2018 interim financial statements on 14 August when the FIMBank Group reported a significant improvement in pre-tax profits to USD7 million. Unfortunately, the bank did not issue any statement in recent weeks to update the market on the progress in its turnaround strategy and whether it managed to register further recoveries of some of the old impairments recognised in previous years.

One of the main developments in 2018 was the transfer of the 49% equity stake in Lombard Bank Malta plc from the Special Administrator of the Cyprus Popular Bank Public Co. Ltd to the National Development and Social Fund. On 9 November 2018 the NDSF informed Lombard of its firm intention to dispose of all or part of its shareholding which is conditional and dependent on market conditions, regulatory approvals and other conditions which are currently being evaluated by the NDSF. Earlier this year, in a media article, the NDSF had stated that the resale of Lombard shares "was likely to be through a combination of an institutional pre-placement and a public offer". This is possibly one of the key events taking place during the course of 2019.

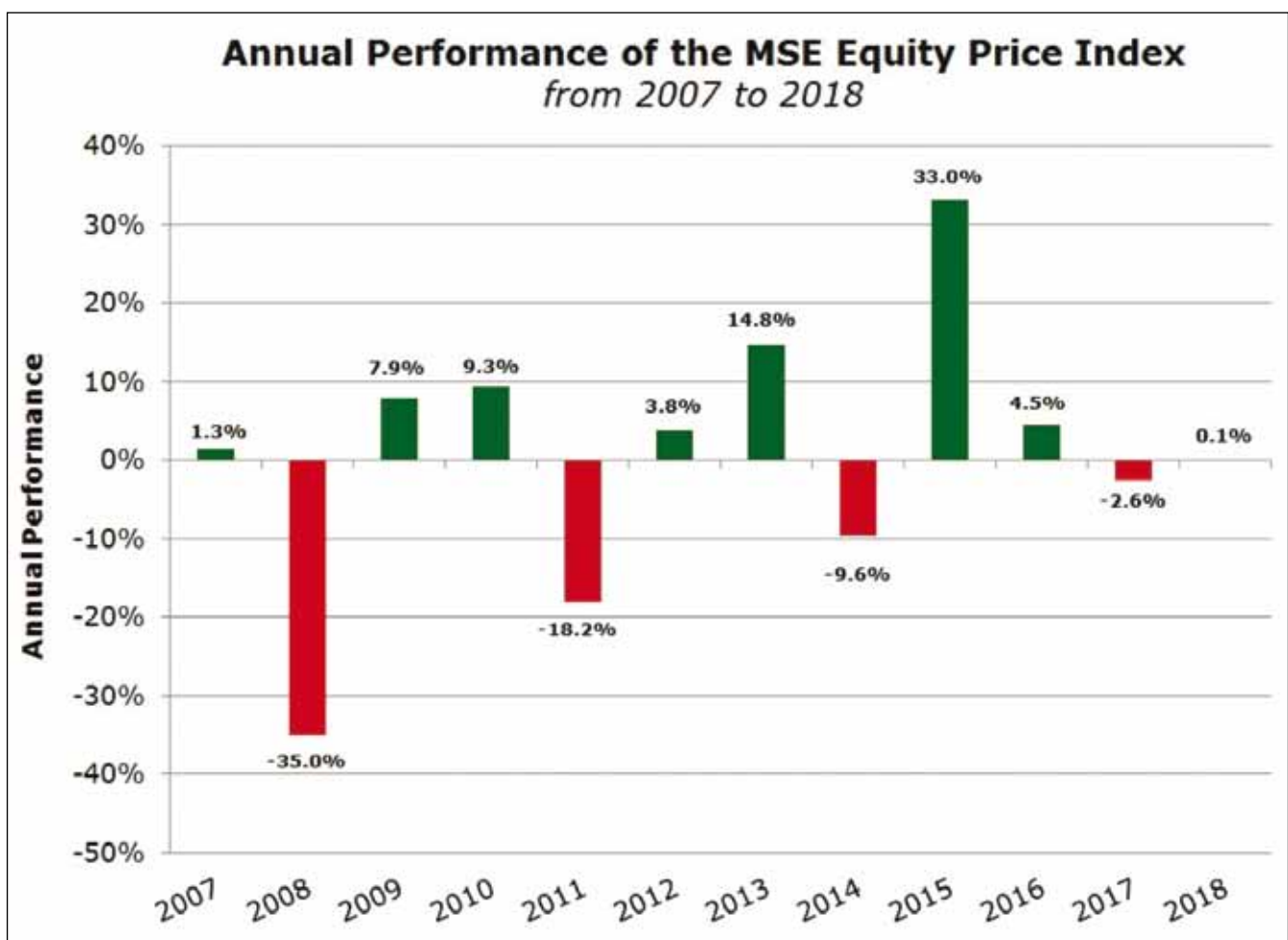
IHI's share price had another disappointing year with a slight decline of 1.1% to the €0.62 level. The equity touched a high of €0.70 in 2018 during the month of June shortly after the company declared an interim cash dividend of €0.02 per share at the start of the month.

Although IHI reported a further increase in its EBITDA to over €60 million during 2017, the share price eased back to the €0.60 level during the second half of the year. During the last few days of the year, IHI confirmed its intention to redevelop the Corinthia Hotel St George's Bay into a six-star resort as well as to develop two luxury

serviced residential blocks in close vicinity. Furthermore, IHI explained that the Marina Hotel and the Radisson Blu St Julian's hotel will both remain operational until such time that more definitive plans are made in the years ahead.

Although both Medserv plc and RS2 Software plc closed lower with declines of 8.7% and 9.1% respectively, these equities recovered during the second half of the year from the steeper losses incurred during the first six months following specific announcements related to the awarding of new contracts and their strong business pipeline.

During the first half of the year, Medserv announced that it managed to penetrate the Egyptian market and it was also successful in signing a second contract with a multinational oil and gas company for exploration activities taking place offshore Cyprus. However, the share price dropped by 20.6% during the first six months as a result of the publication of the disappointing 2017 financial results on 30 April (showing EBITDA of €4.3 million) and possibly due to the uncertainty arising from the decision taken by the two largest shareholders (holding a total of 65.5% of the issued share capital) to source a strategic purchaser for their stake.



The share price of Medserv recovered by 15% during the past six months after the company announced that it was awarded a major contract in South America for USD30.5 million for a period of only 15 months from 1 January 2019 to 31 March 2020 and after Medserv reaffirmed its financial forecasts of achieving an EBITDA of €6.8 million in 2018. This would represent the start of a good turnaround from the weak financial performances in 2016 and 2017.

The share price of RS2 Software was on a downward trend for most of the year. However, the equity rebounded sharply following the publication of an Interim Directors Statement on 17 December highlighting the strong

business pipeline across all its geographical markets as well as in both its business lines (namely licensing and managed services). RS2 also claimed that it successfully penetrated the North American market with a solid pipeline of work for clients including Tier-1 financial institutions. Moreover, RS2 also made reference to potential prospects in Northern Europe as well as with Pan-Asian clients apart from increased business in South America and the Asia-Pacific region.

BOV was undoubtedly the major disappointment for equity investors after the strong operational performance was marred by the huge provisions for litigation. The bank is potentially involved in a number of litigation cases which understandably dominated investor sentiment in recent months. In fact, following the publication of the 2019 interim financial statements on 31 July in which it was revealed that a €75 million provision was taken and that the dividend was being suspended for the 2018 financial year, the share price tanked to multi-year lows. The largest case relates to the 'Deiulemar' litigation arising from the trust business with a maximum exposure of €363 million. Moreover, another source of disappointment for BOV shareholders was the failed attempt by Unicredit S.p.A to dispose of its 10% shareholding in the bank which fell through in November.

Besides the listing of Trident Estates plc in January 2018 following the spin-off from Simonds Farsons Cisk plc, the only other addition to the equity market during 2018 was the small IPO of Main Street Complex plc. Following the upcoming IPO of BMIT Technologies plc which will be concluded by mid-February, other new equity offerings could follow in the months ahead

should BMIT have a successful debut once its shares commence trading on the secondary market. Meanwhile, various other notable developments are expected to take place across the equity market in 2019 such as the offer by the NDSF of Lombard shares, the rights issue by Trident Estates, the possible acquisition of SmartCity (Malta) Ltd by Malta Properties Company, the possible awarding of new contracts for both Medserv and RS2 as well as any resolution on the search for a strategic purchaser by the two large shareholders of Medserv and whether MIDI will finalise a deal with Tumas Group for the development of Manoel Island should this project be approved by the Planning Authority. However, the main focus by many investors will be on BOV to see whether further provisions will be required in respect of the litigation cases and whether dividend payments are resumed or delayed further until any additional clarity on these material items becomes available.

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LAQGHA ĠENERALI ANNWALI TAL-MASS

**Il-Laqgħa Ġenerali Annwali tal-MASS se ssir il-Ħamis 21 ta' Marzu, 2019
fil-Borża ta' Malta, il-Belt Valletta fis-6:00pm.**



F'din il-laqgħa se jingħata rapport tal-hidma tal-MASS fis-sena 2018, kif ukoll jingħata rendikont finanzjarju. Għaldaqstant inheggu lill-membri kollha biex jattendu għal din il-laqgħa importanti.

**Il-Kumitat qiegħed jappella biex min jista' jagħti kontribut fl-Assoċjazzjoni
jitfa' n-nomina għall-membri fil-Kumitat il-ġdid.**

AVVIŻ KONFERENZA MARZU 2019
Il-Pubbliku huwa mistieden għall-Konferenza bil-Malti

Kelliem: Is-Sur Joseph Anthony Debono

Suġġett: The Blockchain

Ikun hemm ħin għall-mistoqsijiet.

Post: Il-Borża ta' Malta

Data: it-Tlieta 12 ta' Marzu, 2019

Ħin: Dhul fis-6:00pm. Tahdita mis-6:30 sat-8:00pm.

Dhul mingħajr ħlas.

AVVIŻ KONFERENZA MEJJU 2019
Il-Pubbliku huwa mistieden għall-Konferenza bil-Malti

Kelliem: Is-Sur Colin Vella

Suġġett: Dividends

Ikun hemm ħin għall-mistoqsijiet.

Post: Lukanda Raddison San Ġiljan

Data: It-Tlieta 7 ta' Mejju, 2019

Ħin: Dhul fis-6:00pm. Tahdita mis-6:30 sat-8:00pm.

Dhul mingħajr ħlas.

MEMBERSHIP APPLICATION FORM (IKTEB B'ITTRI KBAR)



Nixtieq insir membru / inġedded is-shubija tal-Malta Association of Small Shareholders.

Isem u kunjom: _____

Indirizz: _____

Kodiċi Postali: _____ ID: _____

Tel _____ Mowbajl _____ Imejl: _____

Qed nibgħat ċekk ta' €_____, f'isem il-Malta Association of Small Shareholders.

“Middle Earth” Għajn Qajjet Road, Rabat, Malta

Jien niddikjara li nimxi skont l-Istatut u l-aġġornamenti tiegħu.

Statut jinsab fuq il-Website tal-MASS

FIRMA: _____ DATA: _____

L-INFORMAZZJONI KOLLHA TINŻAMM SKONT ID-'DATA PROTECTION ACT'.

Il-ħlas għas-shubija:
Sena – EUR 10
Ħames snin – EUR 20
Għomrok – EUR 40



INTERNATIONAL HOTEL INVESTMENTS P.L.C.

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