

# **STOCK SPLIT AWARENESS**

## **1. WHAT IS THE 10:1 STOCK SPLIT?**

The QFMA has directed that every QSE-listed company will split each of its shares into 10, reducing the nominal value of each share from QAR 10 to QAR 1. This will increase the number of shares by 10 times without changing their total nominal value.

For example, one QGMD share with a nominal value of QAR 10 before the stock split will become with a nominal value of QAR 1 after the stock split.

## **2. WHY IS QGMD CARRYING OUT THIS 10:1 STOCK SPLIT?**

QGMD is carrying out this stock split in compliance with the stock split directives issued by the QFMA to all QSE-listed companies. QGMD welcomes this market-wide QFMA initiative which has been introduced in order to make trading in QSE-listed companies more accessible and attractive to retail investors, and to improve liquidity and trading volumes on the Qatar Stock Exchange.

## **3. DOES THIS STOCK SPLIT IMPACT THE VALUE OF INVESTORS' SHAREHOLDINGS IN QGMD OR THEIR PROPORTIONATE STAKE IN THE COMPANY?**

No, not at all. While the number of QGMD shares owned by each shareholder will be multiplied by 10, the value of each share will correspondingly be divided by 10, so the total value of each shareholding remains the same, as does the proportionate ownership of existing shareholders.

## **4. DO QGMD SHAREHOLDERS NEED TO TAKE ANY ACTION AS A RESULT OF THIS STOCK SPLIT?**

No, QGMD's shareholders do not need to do anything. On the day, the number of shares owned by each shareholder will be adjusted automatically.

## **5. HOW WILL THE STOCK SPLIT AFFECT THE NUMBER OF SHARES OUTSTANDING AND THE FUTURE CALCULATION OF EARNINGS PER SHARE?**

The stock split will split each share with a nominal value of QAR 10 into 10 shares each with a nominal value of QAR 1, thereby increasing QGMD's total number of shares from 11,550,000 to 115,500,000 shares and leaving the total value of QGMD's paid-up capital unchanged at QAR 115,500,000. The earnings per share will be divided by 10.

## **6. WHAT IS THE EFFECTIVE DATE OF THE STOCK SPLIT?**

The date will be on Wednesday June 19<sup>th</sup>, 2019. The Company announces the date of implementation as per Qatar Exchange Timetable.

**7. IF THERE IS A LIEN OR A FACILITY ISSUED AGAINST THE SHARES OWNED BY THE SHAREHOLDER HOW WOULD THE STOCK SPLIT AFFECT THE LIEN?**

The shareholder needs to contact the bank/financial institution relevant to the lien/facility to check whether any additional shares need to be pledged against the lien following the stock split.

**8. IF THERE IS A HOLD PLACED ON THE SHARES BY QCSD AGAINST THE DIRECTORSHIP ROLE HELD BY THE SHAREHOLDER OWNING THOSE SHARES, HOW DOES THE STOCK SPLIT IMPACT THOSE SHARES?**

The shareholder must contact QCSD to check whether part of the shares could be released or not after consulting the requirements stated in the Articles of Association of the Company in which the shareholder is serving as a Board Director

**9. WHAT IS THE DIFFERENCE BETWEEN THE NOMINAL VALUE OF EACH SHARE AND THE MARKET VALUE OF EACH SHARE?**

The nominal value of a company's stock is a fixed value recorded for balance sheet purposes when the company is issuing share capital. Following the share split, QGMD's nominal share value will be QAR 1. The nominal value has no relation to the market value which varies to reflect what the market is willing to pay for each QGMD share at any point in time