

August 20, 2009



**Strength. Endurance. Leadership.**

Dear Shareholders,

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## **Guardian Holdings Limited repurchases 75,861 shares over the last six months**

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August 18<sup>th</sup> marked the official end of Guardian Holdings Limited's (GHL) share repurchase programme launched six months ago. Given that this was the first such share repurchase programme for the Trinidad and Tobago market, it was launched with much fanfare and was subsequently followed with much interest.

As announced at the time, GHL embarked on this programme based on our analysis that our stock price did not reflect the enterprise value of our company. We therefore were of the opinion that this was one of the best uses of the Group's capital. We also discussed at the time that being the first to test the market had its advantages and disadvantages. We knew that the regulations of the Trinidad and Tobago Securities Exchange Commission (SEC) established strict limitations on the amount of shares that could be bought on a daily basis. Based on this formula, this amounted to 8,425 shares per day. What we did not know of course was how this limitation would play out in "real time."

Almost immediately after launching the programme, the disadvantages of a daily limitation became self-evident. At a time when financial markets around the world were falling and people either wanted or needed liquidity, our shareholders and potential investors were frustrated by the fact that GHL could not meet the demand for buying GHL shares due to the SEC imposed restrictions. As reported earlier by me, we then took our argument direct to the SEC and asked them to consider lifting the daily limitation. After much deliberation on their part, they informed us that they would not change the current regulations.

During the time the share repurchase programme was in effect, GHL bought a total of 75,861 shares and spent \$1,528,604.26. At no time did any of the major shareholders of the company nor any of its directors participate in trading GHL shares.

In today's environment, companies have to compete for capital on a global scale. Editorially speaking, if Trinidad and Tobago's Stock Exchange is to attract new participants and attract new capital, our regulations and markets need to evolve towards international standards while working towards finding that perfect balance between allowing markets to operate freely and protecting the interests of the investment community. We will continue working with our regulators on finding a workable solution and improving the region's capital markets.

Sincerely,

A handwritten signature in black ink, appearing to read 'Arthur Lok Jack', written in a cursive style.

Arthur Lok Jack