

STATE TRADING ORGANIZATION PLC

Financial Statements - 31 December 2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of State Trading organization PLC

Report on the Audit of the Financial Statements

Our opinion

We have audited the financial statements of State Trading organization PLC (the Company) and the consolidated financial statements of the Company and its subsidiaries (the Group) which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the consolidated financial statements of the Group give a true and fair view of the financial position of the Company and the Group as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
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The Company and the Group:

Recognition of revenue from retail and wholesale business

Refer to the material accounting policy notes 3.17 and Note 7 to the consolidated financial statements.

During the year ended 31 December 2025, the Company has recognised revenue from retail and wholesale business amounting to MVR 15,521,916,196.

Revenue from retail and wholesale business represent 99.8% and 92.8% of the Company's and the Group's revenue respectively for the year ended 31 December 2025 and is material to the financial statements.

STO operates in wider geographical area and records wholesale and retail revenue in large volume of smaller transactions using automated point of sale systems.

We focused on this area because wholesale and retail revenue are complex due to large volume of transactions with lower values recognised using automated systems occurring in wider geographical areas.

Our audit approach included both control testing and substantive procedures performed as follows:

- i) Understanding and evaluating the design, implementation and operating effectiveness of key controls over initiating, recording, processing and reporting of revenue transactions across all significant revenue streams in relation to retail and wholesale business;
- ii) Identified the relevant Information Technology (IT) systems installed and operated for capturing and processing revenue transactions and evaluated the effectiveness of Information Technology General Controls and IT application controls over revenue recognition with the assistance of our IT specialists;
- iii) Tested significant wholesale revenue transactions on a sample basis during the year, to assess that the revenue had been recognised in accordance with the contractual terms in the correct accounting period and the requirements of the relevant accounting standard;
- iv) Performed reconciliations of the Point of Sales ("POS") records of retail revenue to the general ledger;
- v) Tested significant retail revenue transactions on a sample basis during the year, to assess that the revenue had been recognised in the correct accounting period and in accordance with the requirements of the relevant accounting standard;

Key audit matter	How our audit addressed the Key audit matter
	<ul style="list-style-type: none"> vi) Examined material manual journal entries and other adjustments processed to revenue; and vii) Assessed the adequacy of the disclosures made in the consolidated financial statements in relation to revenue from retail and wholesale business.
<p>The Group:</p> <p>Valuation of insurance contract liabilities</p> <p>Refer to the material accounting policy in Note 3.11.2 and Notes 26.2 and 36 to the consolidated financial statements.</p> <p>As at 31 December 2025, the Group has reserved insurance contract liabilities of MVR 285,383,379 MVR 51,127,081 and MVR 80,189,784 for Non-life insurance, Life insurance and Takaful insurance respectively.</p> <p>The Group’s insurance contract liabilities represent a significant portion of its total liabilities. Insurance contract liabilities are determined in accordance with IFRS 17, which involve the use of a complex valuation models and significant management assumptions.</p> <p>Considerable judgment is applied by the management in this regard, and there is inherent uncertainty in those assumptions. These assumptions required significant auditor attention in specific circumstances where (i) there is limited Group and industry experience data, (ii) the historical experience may not be a good indicator of the future and (iii) the determination of discount rates requires complex calculation and measurement of unobservable market inputs.</p>	<p>We, along with the actuarial audit support experts performed the following audit procedures to assess the reasonableness of the insurance contract liabilities:</p> <ul style="list-style-type: none"> i) Assessed the appropriateness of the valuation methodologies used, by applying our industry knowledge and experience to compare whether the methodologies and changes in methodologies (where applicable) are in line with recognised actuarial practices and expectation derived from market experience; ii) Evaluated whether management's assumptions and methodologies were determined in accordance with the requirements of IFRS 17. iii) Assessed reasonableness of the key assumptions. Our assessment included: <ul style="list-style-type: none"> • Obtaining an understanding of and testing the management controls in place to ensure the accuracy and completeness of data used in deriving assumptions; • Examining the approach used by management expert to derive the assumptions, and assess its appropriateness by applying our industry knowledge and experience;

Key audit matter	How our audit addressed the Key audit matter
<p>Auditing of certain valuation models and significant assumptions required a high degree of auditor judgment and an increased extent of audit effort, including the need to involve actuarial specialists.</p> <p>Accordingly, this was considered a key audit matter.</p>	<p>iv) Tested the inputs and source information underlying the determination of the discount rates.</p> <p>v) Assessed the adequacy of the disclosures made in the financial statements.</p>

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company and the consolidated financial statements of the Group, management is responsible for assessing the Company's/Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company / Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company and the consolidated financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of the Company and the consolidated financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company / Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company and the consolidated financial statements of the Group, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the Company and the consolidated financial statements of the Group of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mohamed Siraj Muneer.

For and on behalf of Deloitte Partners LLP



Licensed Partner: Mohamed Siraj Muneer

License No: ICAM-IL-DZK

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30 April 2026

STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2025

	Note	Group		Company	
		2025	2024	2025	2024
Revenue	7	16,683,459,901	16,759,883,731	15,544,669,824	15,449,496,372
Cost of sales	10	(13,684,556,069)	(13,671,803,162)	(13,125,819,543)	(13,095,293,019)
Gross profit		2,998,903,832	3,088,080,569	2,418,850,281	2,354,203,353
Other income	8	124,814,862	118,795,581	119,516,529	125,468,829
Administrative expenses	10	(945,203,409)	(901,415,713)	(629,494,873)	(591,755,181)
Selling and marketing expenses	10	(876,057,517)	(827,230,618)	(766,424,116)	(703,031,822)
Impairment loss on trade, other and related party receivables	22, 23 & 24	(110,358,275)	(282,090,970)	(10,298,929)	(84,120,293)
Other operating expenses	10	(16,148,561)	(8,104,965)	(15,540,545)	(7,723,358)
Operating profit		1,175,950,932	1,188,033,885	1,116,608,347	1,093,041,528
Finance income		149,132,161	163,223,958	134,235,974	168,027,264
Finance costs		(379,048,858)	(437,467,853)	(336,423,758)	(414,918,404)
Net finance costs	9	(229,916,697)	(274,243,895)	(202,187,784)	(246,891,140)
Share of profit of Joint venture		12,970,917	15,022,451		
Share of profit / (loss) of associates		3,152,650	(1,539,571)		
Share of profit of equity accounted investees - net of tax	17	16,123,567	13,482,880		
Profit before tax expense		962,157,802	927,272,869	914,420,563	846,150,388
Income tax expense	11	(176,928,085)	(154,902,825)	(150,970,590)	(104,691,816)
Profit after tax expense		785,229,717	772,370,044	763,449,973	741,458,572
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit liability	33	(5,335,863)	(7,629,070)	(6,011,484)	(6,971,023)
Tax related to remeasurement of defined benefit liability		800,379	1,144,360	901,723	1,045,653
Equity investment at FVOCI - net change in fair value	18	(12,687,500)	11,875,000		
Tax related to equity investments at FVOCI - net change in fair value		1,903,125	(1,781,250)		
Total other comprehensive (loss) / income - net of tax		(15,319,859)	3,609,041	(5,109,761)	(5,925,370)
Total comprehensive income for the year		769,909,858	775,979,085	758,340,211	735,533,203
Profit attributable to:					
Owners of the Company		780,890,253	770,472,086	763,449,973	741,458,572
Non - controlling interests	30	4,339,464	1,897,958		
		785,229,717	772,370,044	763,449,973	741,458,572
Total comprehensive income attributable to:					
Owners of the Company		765,475,610	774,060,767	758,340,211	735,533,203
Non - controlling interests		4,434,248	1,918,318		
		769,909,858	775,979,085	758,340,211	735,533,203
Basic and diluted earnings per share	12	693	684	677	658

Figures in brackets indicate deductions.

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the consolidated financial statements of the Group and separate financial statements of the Company set out on pages 12 to 107. The report of the Independent Auditors is given on pages 1 to 6.



**STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2025**

	Note	Group		Company	
		2025	2024	2025	2024
ASSETS					
Non-current assets					
Property, plant and equipment	13	2,971,495,085	2,596,038,310	2,363,922,254	2,020,952,307
Investment property	14	65,633,738	359,776,956	65,633,738	359,776,956
Intangible assets	15	109,404,413	124,609,526	84,114,423	98,055,542
Right-of-use assets	19	429,907,649	474,191,400	333,328,546	394,741,703
Lease receivable	20	-	-	41,934,141	52,924,332
Investment in subsidiaries	16	-	-	216,172,026	256,297,041
Equity accounted investees	17	241,324,685	175,521,118	200,307,267	138,627,267
Equity securities at FVOCI	18	95,178,300	107,865,800	2,240,800	2,240,800
Loans receivable	24	250,369,841	293,588,046	-	-
Other financial investments	27	1,388,601,349	1,396,059,029	1,277,018,477	1,286,774,061
Deferred tax assets	11.3	298,977,583	277,699,060	188,144,701	183,651,764
Total non-current assets		5,850,892,643	5,805,349,245	4,772,816,373	4,794,041,773
Current asset					
Inventories	21	1,279,827,958	1,293,574,196	1,104,859,361	1,163,305,902
Lease receivable	20	-	-	32,757,533	26,078,446
Trade and other receivables	22	1,383,721,685	1,309,011,284	787,412,005	645,926,138
Amounts due from related parties	23	4,555,191,382	4,200,908,732	5,341,867,552	4,897,895,748
Loans receivable	24	182,915,958	133,605,505	284,186,056	336,133,138
Insurance contract assets	26.2	45,789,725	96,702,329	-	-
Reinsurance contracts	26.2	174,810,741	209,531,645	-	-
Other financial investments	27	663,700,931	1,183,034,449	487,392,406	988,520,098
Cash and cash equivalents	28	1,981,173,884	1,085,399,985	1,444,399,614	680,503,274
Total current assets		10,267,132,264	9,511,768,125	9,482,874,527	8,738,362,744
Total assets		16,118,024,907	15,317,117,370	14,255,690,900	13,532,404,517
EQUITY AND LIABILITIES					
Equity					
Share capital	29	56,345,500	56,345,500	56,345,500	56,345,500
Share premium	29	27,814,500	27,814,500	27,814,500	27,814,500
Claim equalization reserve	29	76,160,821	74,021,509	-	-
Currency translation reserve	29	334,411	334,411	-	-
General reserve	29	1,531,536,422	1,378,846,427	1,522,254,612	1,369,564,617
Fair value reserve	29	42,896,875	48,547,102	(2,100,000)	(7,234,148)
Retained earnings		4,857,907,175	4,331,763,445	4,019,782,256	3,509,418,988
Equity attributable to owners of the Company		6,592,995,704	5,917,672,894	5,624,096,868	4,955,909,457
Non-controlling interests	30	30,068,283	25,894,135	-	-
Total equity		6,623,063,987	5,943,567,029	5,624,096,868	4,955,909,457
LIABILITIES					
Non-current liabilities					
Loans and borrowings	31.2	2,027,926,153	853,985,320	2,027,926,154	811,013,583
Deferred income	35	30,413,107	31,876,865	40,943,699	45,267,113
Deferred tax liability	11.4	9,172,453	10,197,496	-	-
Lease liabilities	32	261,184,358	267,241,594	175,310,599	190,812,986
Defined benefit obligation	33	116,683,961	103,803,130	88,101,994	75,612,662
Total non-current liabilities		2,445,380,032	1,267,104,405	2,332,282,446	1,122,706,344
Current liabilities					
Loans and borrowings	31.3	2,208,013,933	3,043,051,112	2,130,964,987	3,101,038,266
Trade and other payables	34	3,665,570,976	3,509,158,825	3,279,609,527	3,174,995,398
Lease liabilities	32	118,650,706	199,391,768	95,045,593	186,959,607
Deferred income	35	9,464,981	9,273,484	4,323,414	4,323,414
Insurance contracts liabilities	26.2	416,700,244	520,105,451	-	-
Reinsurance contracts	26.2	17,115,383	4,484,859	-	-
Current tax liabilities	38	87,385,235	59,076,908	78,180,164	52,388,192
Amounts due to related parties	39	421,351,185	320,523,283	605,859,657	492,703,594
Bank overdrafts	28	105,328,244	441,380,246	105,328,244	441,380,246
Total current liabilities		7,049,580,888	8,106,445,936	6,299,311,586	7,453,788,716
Total liabilities		9,494,960,920	9,373,550,341	8,631,594,032	8,576,495,060
Total equity and liabilities		16,118,024,907	15,317,117,370	14,255,690,900	13,532,404,517

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the consolidated financial statements of the Group and separate financial statements of the Company set out on pages 14 to 108. The report of the Independent Auditors is given on pages 1 to 6.

These consolidated and separate financial statements were approved by the Board of Directors and signed on its behalf by:

Name of the Director	Signature	Date
Amir Mansoor		30.04.2026
Shimad Ibrahim		30.04.2026
Mohamed Nizam		30.04.2026
Aishath Fazeena		30.04.2026



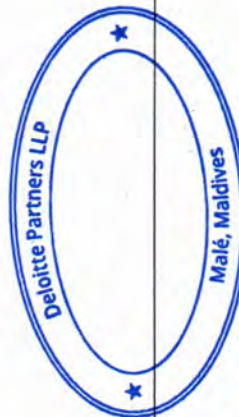
**STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2025**

GROUP

	Attributable to owners of the Company							Non-Controlling Interest	Total
	Share premium	Claim equalization reserve	Currency translation reserve	General reserve	Fair value reserve	Retained earnings	Total		
Balance at 1st January 2024	27,814,500	74,021,509	334,411	1,230,554,713	38,453,352	3,806,240,942	5,233,764,926	25,575,817	5,259,340,744
Profit for the year	-	-	-	-	-	770,472,086	770,472,086	1,897,958	772,370,044
Remeasurement of defined benefit liability - net of tax	-	-	-	-	-	(6,505,069)	(6,505,069)	20,360	(6,484,709)
Total comprehensive income for the year	-	-	-	-	-	763,967,017	763,967,017	1,918,318	765,885,335
Transfer to / (from) during the year	-	-	-	-	-	-	-	-	-
- General reserve	-	-	-	148,291,714	-	(148,291,714)	-	-	-
Net change in fair value of equity investments at FVOCI - net of tax	-	-	-	-	10,093,750	-	10,093,750	-	10,093,750
Transactions with owners of the Company	-	-	-	-	-	(90,152,800)	(90,152,800)	(1,600,000)	(91,752,800)
Dividends (Note 29.4)	-	-	-	-	-	(90,152,800)	(90,152,800)	(1,600,000)	(91,752,800)
Total transactions with owners of the Company	-	-	-	-	-	4,331,763,445	5,917,672,892	25,894,135	5,943,567,028
As at 31st December 2024	27,814,500	74,021,509	334,411	1,378,846,427	48,547,102	4,331,763,445	5,917,672,892	25,894,135	5,943,567,028
Balance at 1st January 2025	27,814,500	74,021,509	334,411	1,378,846,427	48,547,102	4,331,763,445	5,917,672,892	25,894,135	5,943,567,028
Profit for the year from continuing operations	-	-	-	-	-	780,890,253	780,890,253	4,339,464	785,229,716
Remeasurement of defined benefit liability - net of tax	-	-	-	-	-	(4,630,268)	(4,630,268)	94,784	(4,535,484)
Total comprehensive income for the year	-	-	-	-	-	776,259,985	776,259,985	4,434,248	780,694,233
Transfer to / (from) during the year	-	-	-	-	-	-	-	-	-
- General reserve	-	-	-	152,689,995	-	(152,689,995)	-	-	-
- Claim equalization reserve	-	2,139,312	-	-	-	(2,139,312)	-	-	-
Net change in fair value of equity investments at FVOCI - net of tax	-	-	-	-	(5,650,227)	(5,134,148)	(10,784,375)	-	(10,784,375)
Transactions with owners of the Company	-	-	-	-	-	-	-	(100)	(100)
Redeemable preference shares	-	-	-	-	-	(90,152,800)	(90,152,800)	(260,000)	(90,412,800)
Dividends (Note 29.4)	-	-	-	-	-	(90,152,800)	(90,152,800)	(260,100)	(90,412,900)
Total transactions with owners of the Company	-	-	-	-	-	4,857,907,175	6,592,995,702	30,068,283	6,623,063,986
As at 31st December 2025	27,814,500	76,160,821	334,411	1,531,536,422	42,896,875	4,857,907,175	6,592,995,702	30,068,283	6,623,063,986

Figures in brackets indicate deductions.

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the consolidated financial statements of the Group and separate financial statements of the Company set out on pages 12 to 107. The report of the Independent Auditors is given on pages 1 to 6.



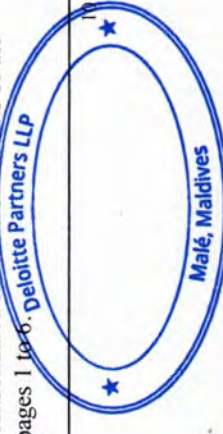
**STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31ST DECEMBER 2025

COMPANY	Share capital MVR	Share premium MVR	General reserve MVR	Fair value reserve MVR	Retained earnings MVR	Total MVR
Balance at 1st January 2024	56,345,500	27,814,500	1,221,272,903	(7,234,148)	3,012,330,299	4,310,529,054
Profit for the year	-	-	-	-	741,458,572	741,458,572
Other comprehensive loss, net of tax	-	-	-	-	(5,925,370)	(5,925,370)
Total comprehensive income for the year	-	-	-	-	735,533,203	735,533,203
Transfer to / (from) during the year						
- general reserve			148,291,714		(148,291,714)	-
Transactions with owners of the Company						
- Dividends (Note 29.4)					(90,152,800)	(90,152,800)
Total transaction with owners of the Company					(90,152,800)	(90,152,800)
As at 31st December 2024	<u>56,345,500</u>	<u>27,814,500</u>	<u>1,369,564,617</u>	<u>(7,234,148)</u>	<u>3,509,418,988</u>	<u>4,955,909,457</u>
Balance at 1st January 2025	56,345,500	27,814,500	1,369,564,617	(7,234,148)	3,509,418,988	4,310,529,054
Profit for the year	-	-	-	-	763,449,973	763,449,973
Other comprehensive Loss, net of tax	-	-	-	-	(5,109,761)	(5,109,761)
Total comprehensive income for the year	-	-	-	-	758,340,211	758,340,211
Transfer to / (from) during the year						
- general reserve			152,689,995		(152,689,995)	-
Net change in fair value of available-for-sale financial assets - net of tax				5,134,148	(5,134,148)	-
Transactions with owners of the Company						
- Dividends (Note 29.4)					(90,152,800)	(90,152,800)
Total transaction with owners of the Company					(90,152,800)	(90,152,800)
As at 31st December 2025	<u>56,345,500</u>	<u>27,814,500</u>	<u>1,522,254,612</u>	<u>(2,100,000)</u>	<u>4,019,782,256</u>	<u>5,624,096,868</u>

Figures in brackets indicate deductions.

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the consolidated financial statements of the Group and separate financial statements of the Company set out on pages 1 to 6. The report of the Independent Auditors is given on pages 1 to 6.



STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2025

Note	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
Cash flows from operating activities				
Profit before tax	962,157,802	927,272,869	914,420,563	846,150,388
<i>Adjustments for:</i>				
Depreciation on property, plant and equipment	13 240,882,536	214,374,015	132,296,922	115,337,106
Depreciation on investment properties	14 6,584,080	6,584,080	6,584,080	6,584,080
Amortization on right-of-use assets	19 77,765,061	84,943,635	56,104,874	70,991,546
Interest on lease liabilities	9 42,577,122	33,471,464	29,529,062	26,891,049
Amortization of intangible assets	15 20,096,842	13,179,385	14,041,690	10,156,861
Gain on derecognition of right of use assets	(779,843)	(1,528,333)	(779,843)	(1,528,333)
Capital work-in progress written off	15.3 13,805,310	13,052,200	38,618,070	-
Capital work-in progress disposed	13 656,663,809	-	656,663,809	-
Gain on disposal of property, plant and equipment	8 (22,951,443)	(287,962)	(19,806,033)	(248,304)
Provision for impairment of investment in subsidiaries	10 -	-	40,125,015	28,602,609
Provision for impairment of investment in hulhumale hotel	14 (369,104,671)	-	(369,104,671)	-
Impairment of capital work-in progress	10 -	486,350	-	-
Provision for impairment of trade, other and related party receivable	10 110,358,275	282,090,970	10,298,929	84,120,293
Provision of impairment for slow moving inventories	21.1 68,721,340	66,783,551	68,520,552	67,351,940
Provision for defined benefit obligation	33 11,843,393	10,495,115	8,411,353	7,116,410
Receivable written off	10 -	5,789,851	14,862,875	5,789,853
Share of profit of equity - accounted investees, net of tax	18 (16,123,567)	(13,482,880)	-	-
Interest expense	9 300,128,274	393,434,301	297,364,581	386,470,910
Interest income	9 (100,115,961)	(90,928,632)	(42,982,397)	(45,540,742)
Dividend income	9 (4,517,300)	(4,207,500)	(46,754,676)	(54,399,800)
Operating profit before working capital changes	1,997,991,059	1,941,522,479	1,808,414,755	1,553,845,866
Working capital changes				
Change in inventories	(54,975,102)	195,429,800	(10,074,011)	132,905,909
Change in trade and other receivables	(195,712,115)	(596,983,833)	(191,449,487)	(223,792,950)
Change in amount due from related parties	(360,374,892)	(479,322,524)	(382,618,228)	(600,536,812)
Changes in reinsurance contract assets	34,720,904	459,519	-	-
Changes in insurance contract assets	25 50,912,604	(77,274,994)	-	-
Changes in deferred revenue	(1,272,261)	(3,678,178)	(4,323,417)	(4,323,417)
Change in amount due to related parties	100,827,902	110,503,780	113,156,063	186,026,990
Change in trade and other payables	83,025,707	(48,095,687)	31,227,685	(144,310,549)
Changes in reinsurance contract liabilities	12,630,525	3,771,171	-	-
Changes in insurance contract liabilities	37 (103,405,207)	82,068,947	-	-
Cash generated from operating activities	1,564,369,122	1,128,400,480	1,364,333,360	899,815,035
Interest paid	(332,061,954)	(400,780,485)	(316,250,201)	(387,236,679)
Gratuity paid	(4,298,425)	(3,178,449)	(1,933,505)	(2,030,690)
Income tax paid	38 (168,219,818)	(326,036,873)	(128,769,833)	(224,317,553)
Net cash generated from operating activities	1,059,788,925	398,404,667	917,379,821	286,230,114
Cash flows from investing activities				
Purchase and construction of property, plant and equipment	13 (632,692,281)	(309,592,881)	(516,192,743)	(243,949,992)
Purchase of intangible assets	15 (4,791,158)	(49,298,031)	-	(39,781,390)
Proceeds from sales of property, plant and equipment	25,398,523	2,440,477	22,013,270	282,703
Investment in associates	17 (61,680,000)	(123,360,000)	(61,680,000)	(123,360,000)
Investments in finance leases	20 -	-	4,311,104	23,431,653
Purchase of other financial instruments	27 (795,170,292)	(1,523,893,761)	(586,511,864)	(1,327,174,158)
Proceeds from sales of other financial instruments	27 1,321,961,491	557,342,391	1,097,395,140	159,600,000
Interest received	100,115,961	90,928,632	42,982,397	45,540,742
Dividend received	16,517,300	14,207,500	51,506,551	60,146,201
Net cash used in investing activities	(30,340,456)	(1,341,225,676)	53,823,857	(1,445,264,240)
Cash flows from financing activities				
Loans and borrowings obtained	31 247,960,143	1,514,502,167	89,600,000	1,514,502,167
Repayments of borrowings	31 (35,074,753)	(1,066,879,273)	31,221,027	(1,019,331,707)
Loans and borrowings obtained for working capital	31 7,225,616,102	5,226,084,192	7,225,616,102	5,226,084,192
Principal lease payments	32 (119,499,766)	(124,739,188)	(101,328,273)	(111,043,623)
Repayments of working capital loans and borrowings	31 (7,099,597,837)	(5,537,701,818)	(7,099,597,837)	(5,537,701,818)
Redemption of preference shares	30 (100)	-	-	-
Dividend paid	(17,026,357)	(16,038,635)	(16,766,356)	(14,438,635)
Net cash (used in) / generated from financing activities	202,377,432	(4,772,556)	128,744,663	58,070,576
Net increase in cash and cash equivalents	1,231,825,901	(947,593,565)	1,099,948,341	(1,100,963,550)
Cash and cash equivalents at beginning of the year	644,019,739	1,591,613,304	239,123,028	1,340,086,578
Cash and cash equivalents at end of the year	1,875,845,640	644,019,739	1,339,071,370	239,123,028

Figures in brackets indicate deductions.

The consolidated and separate financial statements are to be read in conjunction with the related notes which form an integral part of the consolidated financial statements of the Group and separate financial statements of the Company set out on pages 12 to 107. The report of the Independent Auditors is given on pages 1 to 6.

The significant increase in net cash generated from operating activities during the year is primarily attributable to the disposal of the Hulhumalé hotel, together with movements in working capital, including increases in trade, other and related party receivables and payables.



**STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. REPORTING ENTITY

1.1 Corporate information

State Trading Organization PLC (the "Company") is a company incorporated and domiciled in the Republic of Maldives as a public limited liability company since 2001 and presently with its registered office at Kan'baa Aisa Rani Hingun, K.Male' 20345, Republic of Maldives.

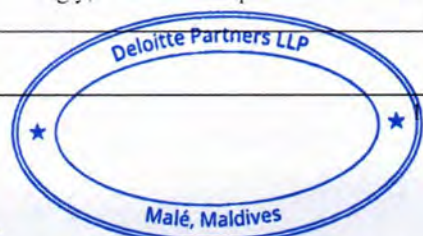
1.2 Consolidated financial statements

The consolidated financial statements of the Group for the year ended 31st December 2025 include the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in investments in equity accounted investees. The financial statements of all companies in the Group have a common financial year which ends on December 31st. State Trading Organization PLC is the ultimate parent of the Group.

There were no significant changes in the nature of the principal activities of the Group during the financial year under review.

1.3 Principal activities and nature of operations

Entity	Principal business activities
State Trading Organization PLC ("STO")	The Company is involved in the business of local and foreign trading.
Fuel Supplies Maldives Private Limited ("FSM")	FSM is in the business of supplying and distribution of fuel and lubricant in Maldives.
Raysut Maldives Cement Private Limited ("Raysut")	Raysut imports cement and distributes in Maldives.
Maldives National Oil Company Private Limited ("MNOC")	MNOC is directly responsible for the development of oil and gas industry processes in the Maldives and overseas, however the Company has not commenced commercial operations as at 31 st December 2025.
STO Hotels & Resorts Private Limited ("STOHR")	STOHR is involved in the business of Hotel and Leisure sector, however the Company has not commenced commercial operations as at 31 st December 2025.
Allied Insurance Company of the Maldives Private Limited ("ALLIED")	ALLIED is involved in the business of providing insurance services in Maldives.
STO Maldives (Singapore) Private Limited ("STOS")	The company's line of business includes the trading of commodities in international markets, however the Company has not commenced commercial operations as at 31 st December 2025.
Maldives Structural Products Private Limited ("MSP")	MSP's main objective is producing steel roofing products and related accessories and supply to the Maldives market.
Maldives Gas Private Limited ("MGPL")	MGPL supplies and delivers liquified petroleum gas (LPG), produces medical and industrial oxygen and sells a range of products from gas stoves to regulators and other LPG equipment.
Maldives State Shipping Private Limited (MSS)	MSS provides an extensive international liner shipping service.
Maldives Industrial Development Free Zone ("MIDFZ")	Established in 2024 as a Special Economic Zone company, MIDFZ is leading industrial development in the Maldives. It aims to attract foreign investment, diversify the economy, and generate sustainable employment. Strategically located along key international shipping routes, MIDFZ is positioned to serve as a regional hub connecting global supply chains. The Company is currently undertaking land reclamation projects to establish its operational infrastructure. Accordingly, commercial operations have not yet commenced.



STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board.

2.2 Basis of measurement

The consolidated and separate financial statements have been prepared on the historical cost basis except for the following item, which is measured on an alternative basis on each reporting date.

Items	Measurement basis
Equity Securities at FVOCI	Fair value

2.3 Functional and presentation currency

These consolidated and separate financial statements are presented in Maldivian Rufiyaa, which is the functional currency. All financial information presented in Maldivian Rufiyaa has been rounded to the nearest Rufiyaa.

2.4 Use of estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

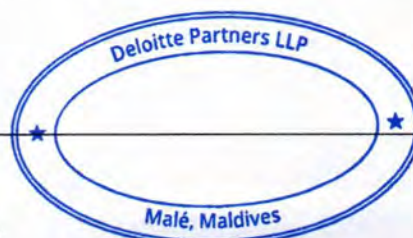
The areas involving significant estimates or judgements are:

- Loss allowance for expected credit losses - note 3.10
- Estimated useful life of property plant and equipment - note 3.4
- Estimated useful life of intangible asset - note 3.6
- Estimation uncertainties and judgements made in relation to lease accounting - note 3.13
- Estimation of fair values of investment property - note 3.5

2.5 Basis of consolidation

(i) Business combinations

The Group accounts for business combination is prepared using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.



**STATE TRADING ORGANIZATION PLC
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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

2. BASIS OF PREPARATION (CONTINUED)

2.5 Basis of consolidation (Continued)

(i) Business combinations (Continued)

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognized in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated and separate financial statements from the date that control commences until the date that control ceases.

(iii) Interests in equity accounted investees

The Group's interest in equity accounted investees comprise interests in associates and joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interest in the associates and the joint venture are accounted for using the equity method. It is recognized initially at cost, which include transaction costs. Subsequently to initial recognition, the consolidated financial statement includes the Group's share of the profit or loss and other comprehensive income (OCI) of equity accounted investees, until the date on which significant influence or joint venture ceases.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(v) Non-controlling interest

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction.



**STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

2. BASIS OF PREPARATION (CONTINUED)

2.5 Basis of consolidation (continued)

(vi) Common control transactions

A business combination involving entities or business under Common Control is a business combination in which all the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination and control is not transitional. Acquisitions under common control transactions in the Group are accounted applying book value accounting on the basis that the investment simply has been moved from one party of the Group to another.

(vii) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(viii) Goodwill on consolidation

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests), and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is more than the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Statement of Profit or Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill that arises is tested annually for impairment. Group policy on impairment of goodwill is discussed under note 3.10 (ii)

3. MATERIAL ACCOUNTING POLICIES

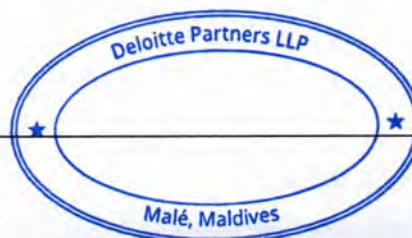
The accounting policies set out below have been applied consistently to all periods presented in these consolidated and separate financial statements, by the Group / the Company.

3.1 Foreign currency

(i) Transactions in foreign currencies

Transactions in foreign currencies are translated to Maldivian Rufiyaa at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Maldivian Rufiyaa at the exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognized in the profit or loss.

Non-monetary assets and liabilities, which are measured at historical cost, denominated in foreign currencies are translated to Maldivian Rufiyaa at the exchange rates ruling at the dates of transactions. Non-monetary assets and liabilities, which are stated at fair value, denominated in foreign currencies are translated to Maldivian Rufiyaa at the exchange rates ruling at the dates the values were determined.



STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Foreign currency (Continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Maldivian Rufiyaa at the exchange rate ruling at the reporting date. The income and expenses of foreign operations are translated into Maldivian Rufiyaa at the average exchange rate.

Foreign currency differences are recognised in other comprehensive income (OCI) and accumulated in the translation reserve, except to the extent that the translation differences is allocated to non-controlling income (NCI).

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

If the Group / the Company disposes of part of its interest in a subsidiary but retain control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group / the Company disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item from part of the net investment in the foreign operation. Accordingly, such differences are recognised in OCI and accumulated in the translation reserve.

3.2 Financial instruments

(i) Financial assets (non-derivatives other than insurance receivables)

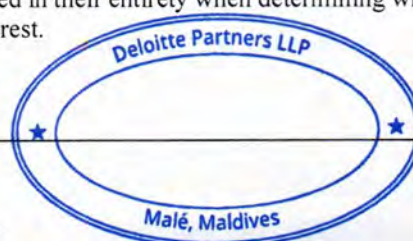
Recognition and initial measurement

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group/Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction cost that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.



STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognized in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Business model assessment

The Group / the Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the management. Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's / Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL



**STATE TRADING ORGANIZATION PLC
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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

Assessment whether the cash flows are solely payment of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs as well as a profit margin.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets.

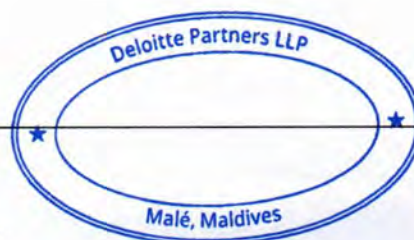
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

- The Group / the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- The Group / the Company may irrevocably designate a debt investment that meets the amortised cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

In the current year, the Group / the Company has not designated any debt investments that meet the amortised cost or FVOCI criteria as measured at FVTPL.

When a debt investment measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVOCI are subject to impairment.



STATE TRADING ORGANIZATION PLC
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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

De-recognition

The Group / the Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of the ownership of the financial asset are transferred or in which the Group / the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not de-recognized.

(ii) Financial liabilities (non-derivative other than reinsurance liabilities)

The Group / the Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Group / the Company becomes a party to the contractual provisions of the instrument. The Group / the Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group / the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

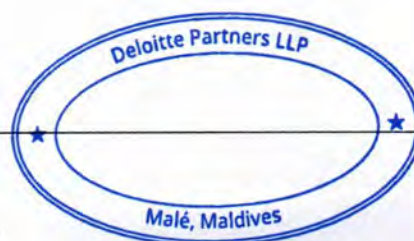
The Group / the Company non-derivative financial liabilities consist of loans and borrowings, amounts due to related parties and trade and other payables. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

A financial liability is derecognized when its contractual obligations are discharged or cancelled or expire. The Group / the Company also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3.3 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

(ii) Subsequent costs

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only if it is probable that the future economic benefits embodied with the item will flow to the Group/ Company and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant, and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group / the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold buildings - Over the lease period or 20 years, whichever is lower.

All the assets except leasehold buildings are depreciated over the following estimated useful live:

Freehold buildings	5 - 25 years
Vessels and fleet	5 - 15 years
Motor vehicles	4 - 5 years
Plant and machinery	3 - 25 years
Air conditioners	3 - 4 years
Office equipment	3 - 5 years
Furniture and fixtures	3 - 5 years
Other assets	3 - 5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The charge for the depreciation commences from the month in which the property, plant and equipment is commissioned for commercial operation.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment (continued)

(iv) Capital work- in -progress

Capital work- in- progress is stated at cost and includes all development expenditure and other direct costs attributable to such projects including borrowing costs capitalized. Capital work in progress is not depreciated until its completion of construction, and the asset is ready for use upon which the cost of completed construction works is transferred to the appropriate category of property, plant, and equipment.

3.5 Investment property

Investment property are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently cost less accumulated depreciation. However, if there is an impairment in value, other than of a temporary nature, the carrying amount is reduced to recognize the decline.

Depreciation on investment properties is recognized on a straight-line basis over the following estimated useful lives.

Leasehold buildings and structures 20 to 25 years

On the disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

Capital work- in- progress is stated at cost and includes all development expenditure and other direct costs attributable to such projects including borrowing costs capitalized. Capital work in progress is not depreciated until its completion of construction and the asset is ready to use upon which the cost of completed construction works is transferred to the appropriate category of investment property.

3.6 Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Group / the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Costs that are directly associated with the purchase and implementation of identifiable and unique software products by the Group / the Company are recognized as intangible assets. Expenditures that enhance and extend the benefits of computer software program beyond their original specifications and lives are recognized as a capital improvement and added to the original cost of the software.

(ii) Subsequent expenditure

Subsequent expenditure is only capitalized if costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Group / the Company has sufficient resources to complete development and to use the asset.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Intangible assets (continued)

(iii) Amortization

Amortization is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Computer software	3 to 10 years
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(iv) Capital work in progress

Capital work- in- progress is stated at cost and includes all development expenditure and other direct costs attributable to such projects including borrowing costs capitalized. Capital work in progress is not amortized until its completion of development and the asset is ready to use upon which the cost of completed construction works is transferred to intangible assets.

3.7 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventory item is based on the weighted average method except in Maldives Gas Private Limited, which is on a first-in-first-out method. Cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.8 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within a year and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Other receivables generally arise from transactions outside the usual operating activities of the Group and the Company.

3.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities in the balance sheet.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment

(i) Financial assets (including insurance receivables)

The Group / the Company accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Specifically, the Group / the Company recognises a loss allowance for expected credit losses on:

- Debt investments measured subsequently at amortised cost or at FVOCI;
- Trade receivables;
- Cash and bank balances;
- Contract assets; and
- Amounts due from related parties

In particular, the Group / Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group / the Company measures the loss allowance for that financial instrument at an amount equal to 12-months ECL. The Group / the Company applies a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables and contract assets. The Group / the Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group / the Company considers a financial asset to be in default when,

- The borrower is unlikely to pay its credit obligations to the Group / the Company in full
- The financial asset is more than 90 days past due.

Loss allowances for financial assets measured at amortized cost are presented by deducting from the gross carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group / the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(ii) Non-financial assets

The carrying amounts of the Group's / Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment (continued)

For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Use of estimates and judgements

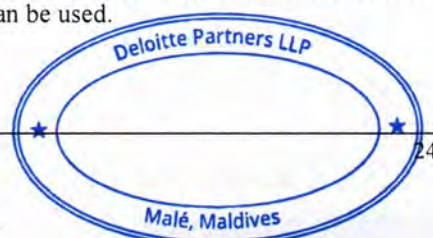
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the company financial statements as per the following:

- Impairment of financial assets: establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of Expected Credit Losses (ECL) and selection and approval of models used to measure ECL.
- Classification of financial assets: assessing the business model within which the assets are held and determining whether the contractual terms of the assets represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included as per the following:

- Impairment of financial assets: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.
- Measurement of the fair value of financial instruments, investment properties, and owner-occupied properties with significant unobservable inputs.
- Measurement of defined benefit obligations: key actuarial assumptions.
- Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be used.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11 Use of estimates and judgements (continued)

Changes in the following key assumptions may change the fulfilment cash flows materially during 2025. However, these changes would adjust the Contractual Service Margin (CSM) and would not affect the carrying amounts of the contracts unless they arise from onerous contracts or do not relate to future services:

- Life and participating contracts: assumptions about future cash flows relating to mortality, morbidity, policyholder behavior, participation percentages, and crediting rates.
- Non-life contracts: assumptions about claims development; and
- All contracts: assumptions about discount rates, including any illiquidity premiums.

(iii) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

3.11.2 Insurance and reinsurance contracts

(a) Insurance, reinsurance, and investment contracts – Classification

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Group to financial risk.

The Group does not accept insurance risk from other insurers.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Group. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued or initiated by the Group. There are no insurance or reinsurance contracts acquired under a business combination.

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts for which, at inception:

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items.
- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items.
- The Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

All other insurance contracts and all reinsurance contracts are classified as contracts without direct participation features. Some of these contracts are measured under the PAA.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(b) Insurance and reinsurance contracts

(i) Separating components from insurance and reinsurance contracts

At inception, the Group separates the following components from an insurance or reinsurance contract and accounts for them as if they were stand-alone financial instruments:

- Derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument.
- Distinct investment components: i.e., investment components that are not highly interrelated with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Group separates any promises to transfer to policyholders' distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance component, and the Group provides a significant service of integrating the good or service with the insurance component.

The Group does not possess any insurance contracts with distinct insurance or non-insurance components that require separation as of the reporting date.

(ii) Aggregation and recognition of insurance and reinsurance contracts

Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort into three groups based on the profitability of contracts:

- Any contracts that are onerous on initial recognition;
- Any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- Any remaining contracts in the annual cohort



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

An insurance contract issued by the Group is recognised from the earliest of:

- The beginning of its coverage period (i.e. the period during which the Group provides services in respect of any premiums within the boundary of the contract).
- When the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder.
- When facts and circumstances indicate that the contract is onerous. An insurance contract acquired in a transfer of contracts or a business combination is recognised on the date of acquisition.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

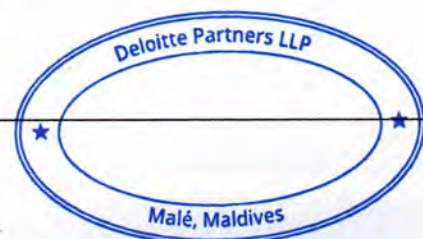
Reinsurance contracts

Groups of reinsurance contracts are established such that each group comprises a single contract for measurement purposes.

Some reinsurance contracts provide cover for underlying contracts that are included in different groups. However, the Group concludes that the reinsurance contract's legal form of a single contract reflects the substance of the Group's contractual rights and obligations, considering that the different covers lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying groups.

A group of reinsurance contracts is recognised on the following date.

- Reinsurance contracts initiated by the Group that provide proportionate coverage: The date on which any underlying insurance contract is initially recognised. This applies to the Group's quota share reinsurance contracts.
- Other reinsurance contracts initiated by the Group: The beginning of the coverage period of the group of reinsurance contracts. However, if the Group recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date. This applies to the Group's excess of loss and stop-loss reinsurance contracts.
- Reinsurance contracts acquired: The date of acquisition. However, the Group does not possess any acquired reinsurance contracts as of the reporting date.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(iii) Insurance Acquisition Cashflows

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

If insurance acquisition cash flows are directly attributable to a group of contracts (e.g. non-refundable commissions paid on issuance of a contract), then they are allocated to that group. The Group does not allocate any portion of the paid commissions to the future renewals as the Group does not have arrangements that expect the recovery of part of the acquisition costs through future renewals of the contracts.

If insurance acquisition cash flows are directly attributable to a portfolio but not to a group of contracts, then they are allocated to groups in the portfolio using a systematic and rational method. Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

At each reporting date, the Group revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. Amounts allocated to a group are not revised once all contracts have been added to the group.

No assets in relation to insurance acquisition cashflows (asset for IACF) have been recognised as of the reporting date.

Recoverability assessment

At each reporting date, if facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Group:

Recognises an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group.

If the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

The Group reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions have improved.

No impairment losses have been recognised in relation to insurance acquisition assets as of the reporting date as no assets for IACFs have been recognised by the Group.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

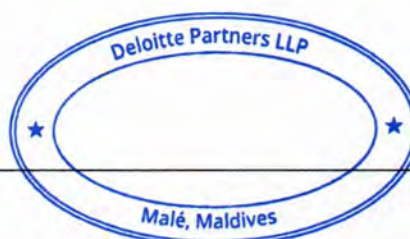
(iv) Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows:

Insurance contracts	<p>Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services).</p> <p>A substantive obligation to provided services ends when:</p> <ul style="list-style-type: none"> ▪ the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or ▪ the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date. <p>The reassessment of risks considers only risks transferred from policyholders to the Group, which may include both insurance and financial risks, but exclude lapse and expense risks.</p>
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Reinsurance contracts	<p>Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.</p> <p>A substantive right to receive services from the reinsurer ends when the reinsurer:</p> <ul style="list-style-type: none"> ▪ has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or ▪ has a substantive right to terminate the coverage.
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The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Group’s substantive rights and obligations and, therefore, may change over time.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(v) Measurement – Contracts not measured under the PAA

Insurance contracts – Initial measurement

On initial recognition, the Group measures a group of insurance contracts as the total of:

- a) The fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and
- b) The CSM.

The fulfilment cash flows of a group of insurance contracts do not reflect the Group's non-performance risk.

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of insurance contracts represents the unearned profit that the Group will recognise as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of:

- The fulfilment cash flows,
- Any cash flows arising at that date, and
- Any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows under (iii)) is a net inflow,

then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(v) Measurement – Contracts not measured under the PAA (continued)

Insurance contracts – Subsequent measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises:

- a) The fulfilment cash flows that relate to services that will be provided under the contracts in future periods; and
- b) Any remaining CSM at that date.

The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows.

Changes relating to future services	Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past services	Recognised in the insurance service result in profit or loss
Effects of the time value of money, financial risk and changes therein on estimated future cash flows	Recognised as insurance finance income or expenses

The CSM of each group of contracts is calculated at each reporting date as follows:

Insurance contracts without direct participation features

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(v) Measurement – Contracts not measured under the PAA (continued)

- The CSM of any new contracts that are added to the group in the year.
- Interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition.
- Changes in fulfilment cash flows that relate to future services, except to the extent that:
- any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and creates a loss component.
- Any decreases in the fulfilment cash flows are allocated to the loss component, reversing losses previously recognised in profit or loss
- The effect of any currency exchange differences on the CSM; and – the amount recognised as insurance revenue because of the services provided in the year.

Changes in fulfilment cash flows that relate to future services comprise:

- Experience adjustments arising from premiums received in the year that relate to future services and related cash flows, measured at the discount rates determined on initial recognition.
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage, measured at the discount rates determined on initial recognition, except for those that arise from the effects of the time value of money, financial risk, and changes therein.
- Differences between
 - (a) any investment component expected to become payable in the year, determined as the payment expected at the start of the year plus any insurance finance income or expenses related to that expected payment before it becomes payable; and
 - (b) the actual amount that becomes payable in the year;
- Differences between any loan to a policyholder expected to become repayable in the year and the actual amount that becomes repayable in the year; and
- Changes in the risk adjustment for non-financial risk that relates to future services.

Changes in discretionary cash flows are regarded as relating to future services and accordingly adjust the CSM.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(v) Measurement – Contracts not measured under the PAA (continued)

However, the Group does not take policy loans under the fulfilment cashflows as per the Group's accounting policy on fulfilment cashflows and no changes in discretionary cashflows have been reported during the period.

Insurance contracts with direct participating features

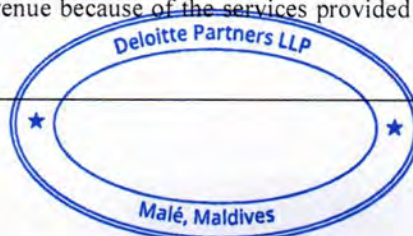
Direct participating contracts are contracts under which the Group's obligation to the policyholder is the net of:

- The obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- A variable fee in exchange for future services provided by the contracts, being the amount of the Group's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns on underlying items. The Group provides investment services under these contracts by promising an investment return based on underlying items, in addition to insurance coverage.

When measuring a group of direct participating contracts, the Group adjusts the fulfilment cash flows for the whole of the changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognised in profit or loss. The Group then adjusts any CSM for changes in the amount of the Group's share of the fair value of the underlying items, which relate to future services, as explained below.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year.
- the change in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:
 - a decrease in the amount of the Group's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component; or
 - an increase in the amount of the Group's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognised in profit or loss (included in insurance service expenses);
 - the effect of any currency exchange differences on the CSM; and
 - the amount recognised as insurance revenue because of the services provided in the year.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(v) Measurement – Contracts not measured under the PAA (continued)

Changes in fulfilment cash flows that relate to future services include the changes relating to future services specified above for contracts without direct participation features (measured at current discount rates) and changes in the effect of the time value of money and financial risks that do not arise from underlying items – e.g. the effect of financial guarantees.

Reinsurance contracts

To measure a group of reinsurance contracts, the Group applies the same accounting policies as are applied to insurance contracts without direct participation features, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises:

- The fulfilment cash flows that relate to services that will be received under the contracts in future periods and
- Any remaining CSM at that date.

The Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Group to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of

- a) The fulfilment cash flows
- b) Any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group.
- c) Any cash flows arising at that date.
- d) Any income recognised in profit or loss because of onerous underlying contracts recognised at that date.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(v) Measurement – Contracts not measured under the PAA (continued)

However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Group recognises the cost immediately in profit or loss as an expense.

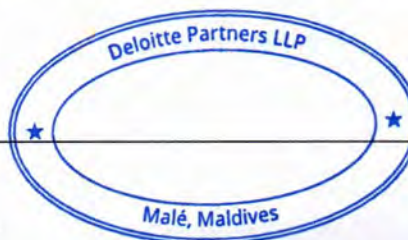
The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- The CSM of any new contracts that are added to the group in the year.
- Interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined by initial recognition.
- Income recognised in profit or loss in the year on initial recognition of onerous underlying contracts (refer below).
- Reversals of a loss-recovery component (refer to 'Net expenses from reinsurance contracts' under (viii)) to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts.
- Changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in fulfilment cash flows of the onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component.
- The effect of any currency exchange differences on the CSM; and
- The amount recognised in profit or loss because of the services received in the year.

Reinsurance of onerous underlying insurance contracts

The Group adjusts the CSM of the group to which a reinsurance contract belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

- The amount of the loss that relates to the underlying contracts; and
- The percentage of claims on the underlying contracts that the Group expects to recover from the reinsurance contracts.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(v) Measurement – Contracts not measured under the PAA (continued)

For reinsurance contracts acquired in a transfer of contracts or a business combination covering onerous underlying contracts, the adjustment to the CSM is determined by multiplying:

- The amount of the loss component that relates to the underlying contracts at the date of acquisition; and
- The percentage of claims on the underlying contracts that the Group expects at the date of acquisition to recover from the reinsurance contracts.

For reinsurance contracts acquired in a business combination, the adjustment to the CSM reduces goodwill or increases a gain on a bargain purchase.

If the reinsurance contract covers only some of the insurance contracts included in an onerous group of contracts, then the Group uses a systematic and rational method to determine the portion of losses recognised on the onerous group of contracts that relates to underlying contracts covered by the reinsurance contract.

A loss-recovery component is created or adjusted for the group of reinsurance contracts to depict the adjustment to the CSM, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid

vi) Measurement – Contracts measured under the PAA

In the non-life segment, the Group uses the PAA to simplify the measurement of groups of contracts when the following criteria are met at inception.

- **Insurance contracts:**

The coverage period of each contract in the group is one year or less. Some of these contracts provide compensation for the cost of rebuilding or repairing a property after a fire; for these contracts, the Group determines the insured event to be the occurrence of a fire and the coverage period to be the period in which a fire can occur for which a policyholder can make a valid claim.

- **Loss-occurring reinsurance contracts:**

The coverage period of each contract in the group is one year or less.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(vi) Measurement – Contracts measured under the PAA (continued)

- Risk-attaching reinsurance contracts:

The Group reasonably expects that the resulting measurement of the asset for remaining coverage will not differ materially from the result of applying the accounting policies in (v). When comparing the different possible measurements, the Group considers the impact of the different release patterns of the asset for remaining coverage to profit or loss and the impact of the time value of money. If significant variability is expected in the fulfilment cash flows during the period before a claim is incurred, then this criterion is not met.

Insurance contracts

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date, and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows under (iii)). The Group has chosen not to expense insurance acquisition cash flows when they are incurred.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses and decreased by the amount recognised as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition.

On initial recognition of each group of contracts, the Group expects that the time between providing each part of the services, and the related premium due date, is no more than a year. Accordingly, the Group has chosen not to adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows are discounted (at current rates) if the liability for incurred claims is also discounted (refer below).

The Group recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. Future cash flows are discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(vi) Measurement – Contracts measured under the PAA (continued)

Reinsurance contracts

The Group applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

If a loss-recovery component (refer ‘Reinsurance of onerous underlying insurance contracts’ under (v)) is created for a group of reinsurance contracts measured under the PAA, then the Group adjusts the carrying amount of the asset for remaining coverage instead of adjusting the CSM. However, the Group does not have onerous groups of contracts available under PAA approach.

(vii) Derecognition and contract modification

The Group derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Group also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On derecognition of a contract from within a group of contracts not measured under the PAA:

- The fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognized.
- The CSM of the group is adjusted for the change in the fulfilment cash flows, except where such changes are allocated to a loss component.
- The number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group.

If a contract is derecognised because it is transferred to a third party, then the CSM is also adjusted for the premium charged by the third party, unless the group is onerous. If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Group entered into a contract with the new contract’s terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the Group received the premium that it would have charged less any additional premium charged for the modification.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(viii) Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows under (iii)) are included in the carrying amount of the related portfolios of contracts.

The Group disaggregates amounts recognised in the statement of profit or loss and OCI into

- a) An insurance service result, comprising insurance revenue and insurance service expenses; and
- b) Insurance finance income or expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

The Group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

Insurance revenue – contracts not measured under the PAA

The Group recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Group expects to receive consideration and comprises the following items:

- A release of the CSM, measured based on coverage units provided (refer to 'Release of the CSM' below).
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts, which are recognised as insurance revenue and insurance service expenses at that date.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(viii) Presentation (continued)

- Other amounts, including experience adjustments for premium receipts for current or past services for the participating and non-participating portfolios.

In addition, the Group allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Group recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

Release of the CSM

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period.

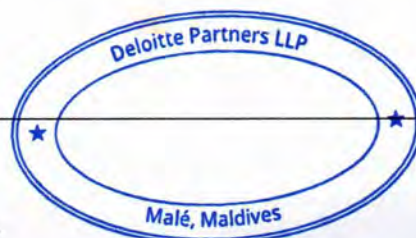
The coverage units are reviewed and updated at each reporting date.

The expected coverage period reflects expectations of lapses and cancellations of contracts, as well as the likelihood of insured events occurring to the extent that they would affect the expected coverage period.

Insurance revenue – contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Group allocates the expected premium receipts to each period based on the passage of time.

For contracts not measured under the PAA, the Group establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(viii) Presentation (continued)

The systematic basis is determined by the proportion of the loss component relative to the total estimate of the present value of the future cash outflows plus the risk adjustment for non-financial risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognised in the year).

Loss components

Changes in fulfilment cash flows relating to future services and changes in the amount of the Group's share of the fair value of the underlying items for direct participating contracts are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items.

- Incurred claims and other insurance service expenses
- Amortization of insurance acquisition cash flows: For contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Group amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses if any.

Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

(viii) Presentation (continued)

The Group recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Group expects to pay consideration.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Group establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Group expects to recover from the reinsurance contracts.

Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals). The Group does not disaggregate insurance finance income or expenses between profit or loss and OCI for all the portfolios of contracts.

Significant judgements and estimates

(i) Fulfilment cash flows

Fulfilment cash flows comprise:



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

Significant judgements and estimates (continued)

- Estimates of future cash flows.
- An adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows.
- A risk adjustment for non-financial risk.

The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value.

Estimates of future cash flows

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group considers current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not considered until the change in legislation is substantively enacted.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting, and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include:

- Claims handling, maintenance and administration costs.
- Recurring commissions payable on instalment premiums receivable within the contract boundary.
- Costs that the Group will incur in providing investment services



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

Significant judgements and estimates (continued)

- Costs that the Group will incur in performing investment activities to the extent that the Group performs them to enhance benefits from insurance coverage for policyholders by generating an investment return from which policyholders will benefit if an insured event occurs.

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. The Group generally allocates insurance acquisition cash flows and maintenance to groups of contracts based on the premiums for each group. Other costs are recognised in profit or loss as they are incurred.

Contract boundaries

The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Group's substantive rights and obligations under the contract.

Insurance contracts	Life insurance contracts issued by the Group do not contain guaranteed renewal features, options etc. which affect the contract boundary and policy term is considered as the contract boundary as the Group does not have the practical ability to reprice the contracts during their term.
Reinsurance contracts	Each of the Group's quota share reinsurance contracts has an annual term, covers underlying contracts issued within the term on a risk-attaching basis and provides unilateral rights to both the Group and the reinsurer to terminate the cession of new business at any time by giving three months' notice to the other party. On initial recognition, the cash flows within the reinsurance contract boundary are determined to be those arising from underlying contracts that the Group expects to issue and cede under the reinsurance contract within the next three months. Subsequently, expected cash flows beyond the end of this initial notice period are considered cash flows of new reinsurance contracts and are recognised, separately from the initial contract, as they fall within the rolling three-month notice period. Each of the Group's excess of loss and stop loss reinsurance contracts has an annual term and covers claims from underlying contracts incurred within the year (i.e., loss occurring). Cash flows within the contract boundary are those arising from underlying claims incurred during the year.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

Significant judgements and estimates (continued)

Assumptions about mortality, morbidity, and policyholder behaviour used in estimating future cash flows are developed by product type at entity level, reflecting recent experience and the profiles of policyholders within a group of insurance contracts.

Mortality and morbidity assumptions are developed using a blend of regional mortality data, industry trends and the entity's recent experience. Experience is monitored through regular studies, the results of which are reflected both in the pricing of new products and in the measurement of existing contracts.

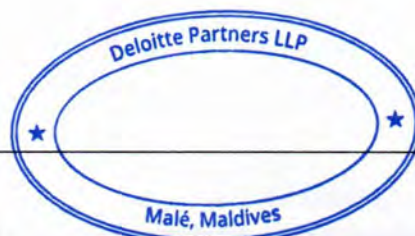
Mortality is a key assumption in the measurement of life insurance contracts. Tables produced by the Mortality and Morbidity Investigation Committee (MMIC) within insurance Information Bureau of India (IIB) are used.

Year	Mortality table used
2025	IALM 2012 - 2014
2024	IALM 2012 - 2014

Policyholder behaviour is a key assumption in the measurement of participating and non-participating insurance contracts. Each type of policyholder behaviour is estimated by product type, based on trends in recent experience. The following table sets out the assumptions about exit rates (expressed as averages) by policy anniversary for participating and non-participating contracts.

	2025				
	1-5	5-10	10-15	15-20	20-25
Traditional participating/ non-participating	6.51%	6.16%	6.92%	5.92%	2.97%
Direct participating contracts	11.60%	9.40%	5%	5%	5%

	2024				
	1-5	5-10	10-15	15-20	20-25
Traditional participating/ non-participating	5.60%	3%	3%	3%	3%
Direct participating contracts	10.30%	6.80%	5%	5%	5%



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

Significant judgements and estimates (continued)

Non-life contracts

The Group estimates the ultimate cost of settling claims incurred but unpaid at the reporting date and the value of salvage and other expected recoveries by reviewing individual claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques – e.g. the chain-ladder and Bornhuetter-Ferguson methods. These techniques assume that the Group's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately for each line of business.

The assumptions used, including loss ratios and future claims inflation, are implicitly derived from the historical claims development data on which the projections are based. However judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

Discount rates

All cash are discounted using yield curve derived from Group's asset portfolio yield to maturity rates adjusted to probability of default to reflect the characteristics of the cashflows and the liquidity of the insurance contracts. Asset portfolio returns are observed from coupon rates of investment instruments the Group holds at the valuation date as investments and yield to maturity rates calculate based on the market value of the investment assets traded at the date of valuation. In situations where market traded values are not observable, the study only considered investment assets purchased within one year from valuation and assumed the coupon rate is equal to the yield to maturity rate expected by the market.

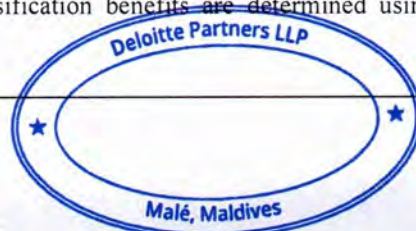
Then the yield curve is extrapolated to converge into an ultimate forward rate, which reflects long-term interest rate and inflation expectations. With the unavailability of an ultimate forward rate published directly for the Maldives market, ultimate forward rate is determined as the convergence of the curve build upon observable market information, which is the first parameter (B0) of the fitted Nelson-Seigel-Svensson curve.

Credit risk is adjusted based on the investment instrument issuer's rating, tenure of the investment asset, and the expected loss given default rates according to the Basel framework.

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk, separately for the non-life and other contracts, and are allocated to groups of contracts based on an analysis of the risk profiles of the groups.

Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by the entity, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined using a correlation matrix technique.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

Significant judgements and estimates (continued)

The risk adjustments for non-financial risk are determined using the following techniques:

- Non-life contracts: a confidence level technique.
- Life contracts: risk margin on assumption technique.
- To determine the risk adjustments for non-financial risk for reinsurance contracts, the Group applies these techniques both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results.

Applying a confidence level technique, the Group estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

Determination of coverage units

The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year based on the number of coverage units provided in the year, which is determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

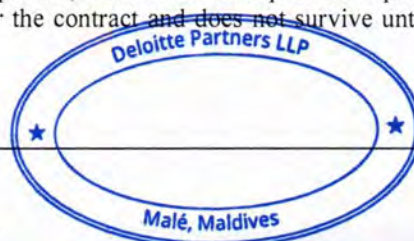
The Group determines the quantity of the benefits provided under each contract based on the sum assured payable on death. Coverage units for each group of contracts are determined by projecting the quantity of benefits payable in each future period allowing for the expected coverage duration.

(ii) Investment components

The Group identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.

Direct and indirect Participating contracts have explicit surrender values. The investment component excluded from insurance revenue and insurance service expenses is determined as the surrender value specified in the contractual terms, less any accrued fees and surrender charges.

The Group's other contracts do not contain investment components. These include term contracts that provide policyholders with the death cover during the coverage period. The Group determines that these contracts do not include any investment component, because the Group is not required to pay any amount if the policyholder does not surrender the contract and does not survive until the maturity date.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11.2 Insurance and reinsurance contracts (continued)

Significant judgements and estimates (continued)

Consequently, any surrender payments are treated as premium refunds for unused coverage. Even though the premium refunds do not represent repayments of investment components, the Group has disclosed them together with investment components.

3.12 Liabilities and provision

A provision is recognized in the reporting date when the Group / the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.13 Leases

At inception of a contract, the Group / the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group / the Company uses the definition of lease in IFRS 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group / the Company allocates the consideration in the contract to each lease component on the basis of

its relative stand-alone prices. However, for the leases of property the Group / the Company has elected not to separate non-lease component and account for the lease and non-lease component as a single lease component.

(a) Recognition and initial measurement of right-to-use asset

The Group / the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Leases (Continued)

(b) Subsequent measurement

The right-to-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group / the Company by the end of lease term or the cost of the right-of-use asset reflects that the Group / the Company will exercise a purchase option. In that case the right-to-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those property and equipment. In addition, the right-to-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurement of the lease liability.

(c) Recognition and initial measurement of lease liability

The lease liability is initially measured at present value of the lease payment that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Group / the Company's incremental borrowing rate. Generally, the Group / the Company uses its incremental borrowing rate as the discount rate.

(d) Short-term leases and leases of low-value assets

The Group / the Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. Short term leases are leases with a lease term of 12 months or less. Low-value assets comprise underlying asset value of which is less than USD 5,000 including IT equipment. The Group / the Company recognizes the lease payment associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At the inception or on modification of a contract that contains a lease component, the Group / the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group / the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To classify each lease, the Group / the Company makes an overall assessment of whether the lease transfers substantially all of the risk and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group / the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group / the Company an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-to-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group / the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If the arrangement contains lease and non-lease components, then Group / the Company applies IFRS 15 to allocate the consideration in the contract.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Leases (Continued)

The Group / the Company applies the de-recognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group / the Company further regularly reviews estimated unguaranteed residual value used in calculating the gross investment in the lease.

The Group / the Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

3.14 Deferred income

The group's deferred income policy is described in 35.1.

3.15 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid,

including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.17 Revenue

3.17.1 Revenue from contract with customers (other than insurance)

Revenue from contracts with customers is recognized upon satisfaction of performance obligation, when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.17 Revenue

3.17.1 Revenue from contract with customers (other than insurance)

Variable considerations including rebates, discounts and other payments to customers are accounted as performance obligations are satisfied and revenue is recognized. Returns and refunds are given based on company and group policy and is recognized when incurred. A provision for warranty is recognized for home improvement and electronic products, generally based on historical warranty data.

Type	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
Goods transferred at a point in time	Under IFRS 15, revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally, on delivery of the goods. The Group has average credit periods varying from 30 – 90 days depending on the contract.	Revenue from the sale of goods is recognized when the Company satisfies its performance obligation towards the customer.
Services transferred over time	Under IFRS 15, the Group determines, at contract inception, whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied over time, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.	Revenue from the services rendered is recognized with reference to the time of services rendered.

Retail and wholesale

Retail and wholesale segment focuses on trading of a wide range of beverages, frozen confectionary, processed meat, dairy products, pharmaceutical items, electric equipment, and construction materials. Revenue is recognised at the point in time when the control of the asset is transferred to the customer, which is generally upon sale of the goods to the customer. Revenue is measured based on actual sales.

Gas

Gas segment focuses on sale and distribution of Liquefied Petroleum Gas (L.P.G), industrial gas, medical gases and related equipment. Revenue is recognised at the point in time when the control of the asset is transferred to the customer, which is generally upon sale of the goods to the customer. Revenue is measured based on actual sales.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.17 Revenue

3.17.1 Revenue from contract with customers (other than insurance)

Fuel and lubricants

Fuel and lubricants segment focuses on trading of petrol, diesel and jet fuel. Revenue is recognised at the point in time when the control of the asset is transferred to the customer, which is generally upon sale of the goods to the customer. Revenue is measured based on actual sales.

Shipping

Revenue from shipping activities is recognised over time as the performance obligation is satisfied, including a share of revenue from incomplete voyages at the balance sheet date. Invoiced revenue related to an estimated proportion of remaining voyage time and activities at the destination port is deferred.

Other services

Other services segment include following categories:

Documents handling and other income

Revenue from documents handling and other activities is recognised upon completion of the service.

Registration fee income

In the case of registration fee income, the revenue has been recognised over the period of five years.

Repair and maintenance services

Revenue from repair and maintenance is recognised over the period of service is provided.

Transport charges received

Revenue from transport income, the revenue has been recognised by reference to the time of service rendered.

3.18 Operating expenses

All expenditure incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to the revenue in arriving at profit or loss for the year.

Expenditure incurred for the purpose of acquiring, expanding, or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

3.19 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss.

Finance cost comprises interest expense on borrowings and foreign exchange losses. Foreign currency gains and losses are reported on a net basis.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.20 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the construction of an asset that takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of that asset.

3.21 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rate enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Tax loss

A deferred tax assets is recognized for unused tax losses, tax credits deductible temporary difference to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it no longer probable that the related tax benefits will be provided. Transfers of tax losses between group companies for no payments are eliminated in the Consolidated and separate financial statements.

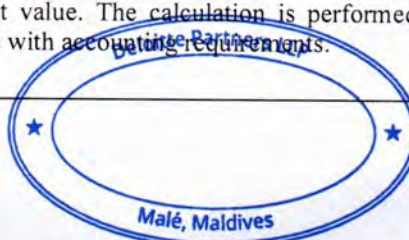
3.22 Employee Benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company contributes 7% of members' salary into the scheme with an additional, minimum, 4% of salary being contributed by the members.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and discounting that amount to determine its present value. The calculation is performed by a professional actuary in every three years in compliance with accounting requirements.



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.22 Employee Benefits (Continued)

(c) Short-term benefits

Short-term employee benefit obligations of the Company are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.23 Events occurring after the reporting date

The materiality of the events occurring after the reporting date has been considered and provisions have been made in the separate financial statements where necessary.

3.24 Determination of fair values

A number of the Group's / Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(ii) Financial liabilities (non-derivative)

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4. CHANGES IN MATERIAL ACCOUNTING POLICIES

Except for the described Group accounting policies below, the applied accounting policies in these financial statements are the same as those applied in the financial statements as at and for the year ended 31st December 2025.

The Group has applied the following standards and amendments for the first time for their annual reporting periods commencing 1 January 2025. Most of the amendments listed below did not have any significant impact on amounts recognised in prior periods and are not expected to significantly affect current or future periods. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards affect current or future periods.

- i) Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability



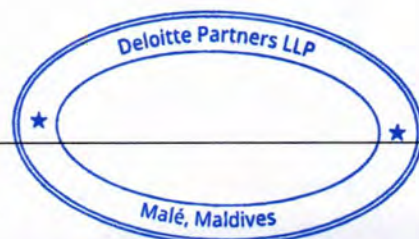
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5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning after 1st January 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's financial statements.

- i) Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments
- ii) Annual Improvements to IFRS Accounting Standards - Volume 11
- iii) Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity
- iv) IFRS 18: Presentation and Disclosures in Financial Statements
- v) IFRS 19: Subsidiaries without Public Accountability: Disclosures



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FOR THE YEAR ENDED 31ST DECEMBER 2025

6 OPERATING SEGMENTS

A. Basis of segmentation

The Group has the following five strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they are subject to risk and returns that are different from those of other business segments.

The following summary describe the operations of each reportable segment.

Reportable segments	Operations
Trading	Buying and selling of consumable goods, construction material, home improvement, electronic goods and medical related supplies.
Gas	Buying and selling of liquefied petroleum gas (LPG) and medical and industrial oxygen production.
Insurance service	Providing general & life insurance services
Fuel	Importing & selling of petroleum products
Shipping	Providing shipping & logistics services

The Group's Managing Director reviews the internal management reports of each division monthly.

Other operations include the operations related to other services. This segments does not meet the quantitative thresholds for a reportable segment in 2025 and 2024.

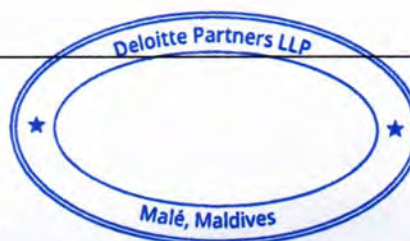
There are varying level of integration between insurance service, fuel & gas segment. This integration include providing insurance and other inter-connected services. Inter segment pricing is determined on an arm's length basis.

B. Information about reportable segments

Information related to each reportable segment is set out below. A segment's profit before tax is used to measure performance because management believe that this information is the most relevant in evaluating the result of the respective segments relative to other entities that operate in the same industries.

For the year ended 31st December 2025

	Reportable segments							Total
	Trading	Gas	Insurance service	Fuel	Shipping	Total reportable segments	Other segments	
	MVR	MVR	MVR	MVR	MVR	MVR	MVR	
Gross revenue	3,402,338,175	380,063,585	961,308,572	17,934,283,392	492,370,144	23,170,363,867	43,364,679	23,213,728,546
Inter-segment revenue	(12,244,262)	(88,644,689)	(86,606,806)	(6,245,890,472)	(83,670,411)	(6,517,056,639)	(13,212,006)	(6,530,268,645)
Segment revenue	3,390,093,913	291,418,896	874,701,766	11,688,392,920	408,699,733	16,653,307,228	30,152,673	16,683,459,901
Segment profit / (loss) before tax	43,880,056	50,287,033	88,523,814	919,214,983	(164,811,075)	937,094,809	25,062,993	962,157,802
Interest income	78,928,152	-	43,809,763	26,597,794	-	149,335,709	-	149,335,709
Interest expense	(71,488,553)	(6,774,184)	(33,685,522)	(266,519,631)	(5,301,815)	(383,769,705)	-	(383,769,705)
Depreciation & amortization	(167,002,284)	(24,030,844)	(8,124,783)	(102,821,800)	(43,348,808)	(345,328,519)	-	(345,328,519)
Share of loss profit of associate	3,152,650	-	-	-	-	3,152,650	-	3,152,650
Share of profit of joint venture	12,970,917	-	-	-	-	12,970,917	-	12,970,917
Segment assets	3,654,443,867	468,712,181	1,124,150,113	10,084,496,939	544,897,121	15,876,700,222	-	15,876,700,222
Equity accounted investments	241,324,685	-	-	-	-	241,324,685	-	241,324,685
Capital expenditure	504,653,398	30,631,175	3,507,387	35,252,803	62,920,239	636,965,003	-	636,965,003
Segment liabilities	2,128,257,468	158,472,364	736,671,846	6,158,417,795	313,058,215	9,494,877,690	83,230	9,494,960,920



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FOR THE YEAR ENDED 31ST DECEMBER 2025

6 OPERATING SEGMENTS (CONTINUED)

B. Information about reportable segments (Continued)

For the year ended 31st December 2024

	Reportable segments					Total reportable segments	Other segments	Total
	Trading	Gas	Insurance service	Fuel	Shipping			
	MVR	MVR	MVR	MVR	MVR			
Gross revenue	3,147,794,519	273,562,899	831,531,664	18,710,147,164	510,617,646	23,473,653,892	83,962,978	23,557,616,870
Inter-segment revenue	(11,580,526)	(12,560,766)	(70,830,479)	(6,602,898,911)	(78,818,789)	(6,776,689,471)	(21,043,668)	(6,797,733,139)
Segment revenue	3,136,213,993	261,002,133	760,701,185	12,107,248,253	431,798,857	16,696,964,421	62,919,311	16,759,883,731
Segment profit / (loss) before tax	153,797,502	23,106,535	64,547,126	711,129,744	(58,607,551)	893,973,356	33,299,510	927,272,869
Interest income	103,747,955	-	30,450,225	29,698,181	-	163,896,361	-	163,896,361
Interest expense	(67,090,333)	(6,310,596)	(6,607,951)	(350,324,865)	(12,015,115)	(442,348,860)	-	(442,348,860)
Depreciation & amortization	(148,727,368)	(23,770,400)	(8,539,168)	(109,667,172)	(28,377,006)	(319,081,115)	-	(319,081,114)
Share of profit of associate	(1,539,571)	-	-	-	-	(1,539,571)	-	(1,539,571)
Share of profit of joint venture	15,022,451	-	-	-	-	15,022,451	-	15,022,451
Segment assets	3,193,205,345	406,261,008	1,119,260,868	9,516,835,246	618,474,183	14,854,036,649	287,559,600	15,141,596,252
Equity accounted investments	175,521,118	-	-	-	-	175,521,118	-	175,521,118
Capital expenditure	289,287,853	25,382,598	1,755,426	22,189,594	13,613,448	352,228,919	-	352,228,919
Segment liabilities	2,147,473,974	145,504,317	689,554,389	6,111,152,521	279,783,915	9,373,469,117	81,229	9,373,550,341

C. Reconciliations of information on reportable segment to IFRS measures

	2025 MVR	2024 MVR
i Revenue		
Total revenue for reportable segments	23,170,363,867	23,473,653,892
Revenue for other segments	43,364,679	83,962,978
Elimination of inter - segment revenue	(6,530,268,645)	(6,797,733,139)
Consolidated revenue	16,683,459,901	16,759,883,731
ii Profit before tax		
Total profit before tax for reportable segments	937,094,809	893,973,356
Profit / (Loss) before tax for other segments	25,062,993	33,299,510
Elimination of inter-segment profit	(4,123,567)	(3,482,880)
Dividend received from joint venture	(12,000,000)	(10,000,000)
Share of profit of equity - accounted investees	16,123,567	13,482,880
Consolidated profit before tax from continuing operations	962,157,802	927,272,869
iii Assets		
Total assets for reportable segment	15,876,700,222	14,854,036,649
Assets for other segments	-	287,559,600
Equity -accounted investees	241,324,685	175,521,118
Consolidated total assets	16,118,024,907	15,317,117,370
iv Liabilities		
Total liabilities for reportable segment	9,494,877,690	9,373,469,117
Liabilities for other segments	83,230	81,228
Consolidated total liabilities	9,494,960,920	9,373,550,341



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FOR THE YEAR ENDED 31ST DECEMBER 2025

6 OPERATING SEGMENTS (CONTINUED)

C. Reconciliations of information on reportable segment to IFRS measures (Continued)

v. Other material items

For the year ended 31st December 2025

	Reportable segment totals MVR	Adjustment MVR	Consolidated totals MVR
Interest income	149,335,709	(6,179,777)	143,155,932
Interest expense	(383,769,705)	4,720,847	(379,048,858)
Capital expenditure	636,965,003	-	636,965,003
Depreciation and amortization	(345,328,519)	-	(345,328,519)
	57,202,488	(1,458,930)	55,743,557
For the year ended 31st December 2024			
Interest income	163,896,361	(4,881,007)	159,015,354
Interest expense	(442,348,860)	4,881,007	(437,467,853)
Capital expenditure	352,228,919	-	352,228,919
Depreciation and amortization	(319,081,115)	-	(319,081,115)
	(245,304,695)	-	(245,304,695)

D. Geographic information

The trading, gas, insurance segments are operated in Male & other Islands of Maldives. Fuel segment is operated in Male and other islands of Maldives.

The geographic information below analyzes the Group's revenue and non-current assets by the Group's different operating geographical areas. In presenting the following information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

	2025 MVR	2024 MVR
i. Revenue		
Male'	15,448,266,895	15,762,871,980
Thilafushi	445,397,179	882,309,224
Hulhumale'	1,167,036,456	444,602,869
Other Islands	5,869,257,288	6,035,541,763
Overseas	283,770,727	432,291,037
Less : Inter-company transactions	(6,530,268,645)	(6,797,733,139)
	16,683,459,901	16,759,883,731
ii. Non - current assets		
Male'	5,049,611,790	5,080,392,157
Thilafushi	263,784,697	156,395,528
Hulhumale'	80,508,939	143,415,969
Other Islands	456,987,217	425,145,587
	5,850,892,643	5,805,349,245

E. Major customer

Revenue from one customer (Maldives Airports Company Limited) of the Fuel segment represented approximately MVR 2,549,781,357/- (2024: MVR 3,082,598,559/-) of the Group's total revenues.



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FOR THE YEAR ENDED 31ST DECEMBER 2025

7 REVENUE

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
Retail and wholesale	3,390,093,913	3,136,213,993	3,400,908,800	3,145,476,166
Insurance	874,701,766	760,701,185	-	-
Gas	291,418,896	261,002,133	75,815,307	-
Fuel	11,688,392,920	12,107,248,253	12,045,192,089	12,251,205,228
Shipping	408,699,733	431,798,857	-	-
Other services	30,152,673	62,919,311	22,753,628	52,814,978
	<u>16,683,459,901</u>	<u>16,759,883,731</u>	<u>15,544,669,824</u>	<u>15,449,496,372</u>

Timing of revenue recognition

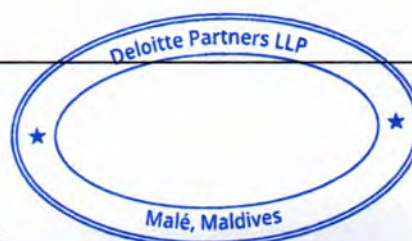
	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
Goods transferred at a point in time	15,390,516,780	15,535,612,379	15,521,916,196	15,396,681,394
Services transferred over time	418,241,355	463,570,168	22,753,628	52,814,978
Total revenue from contracts with customers	<u>15,808,758,135</u>	<u>15,999,182,546</u>	<u>15,544,669,824</u>	<u>15,449,496,372</u>
Revenue from insurance contracts	874,701,766	760,701,185	-	-
Total revenue	<u>16,683,459,901</u>	<u>16,759,883,731</u>	<u>15,544,669,824</u>	<u>15,449,496,372</u>

8 OTHER INCOME

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
Profit on disposal of property, plant and equipment	22,951,443	287,962	19,806,033	248,304
Income from vessels and fleets	2,117,982	4,321,719	2,117,982	1,455,052
Fines and claims received	30,062,475	44,492,939	23,789,126	46,007,922
Rent income	42,833,113	39,661,469	61,497,072	54,364,806
Discounts received	868,604	4,362,370	54,310	2,355,974
Miscellaneous income	25,981,245	25,669,122	12,252,007	21,036,771
	<u>124,814,862</u>	<u>118,795,581</u>	<u>119,516,529</u>	<u>125,468,829</u>

9 NET FINANCE COSTS

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
Finance income				
Interest income on loans granted	52,795,375	52,763,755	-	-
Interest income on credit scheme sales	2,288,002	2,950,225	2,288,002	2,950,225
Foreign exchange gain	-	1,105	-	-
Dividend income	4,517,300	4,207,500	46,754,676	54,399,800
Discounts on treasury bills	44,498,902	68,086,722	44,498,902	68,086,722
Other finance income	43,573,652	35,214,652	32,002,748	32,711,008
Lease interest received	1,458,931	-	8,691,646	9,879,509
	<u>149,132,161</u>	<u>163,223,958</u>	<u>134,235,974</u>	<u>168,027,264</u>
Finance costs				
Interest on bank borrowings	(55,261,226)	(53,677,667)	(53,237,595)	(43,733,604)
Interest on bank overdrafts	(31,059,935)	(43,831,441)	(26,410,120)	(42,521,697)
Interest on lease liabilities (Note 32)	(42,577,122)	(33,471,464)	(29,529,062)	(26,891,049)
Finance expense from insurance contracts	(26,774,516)	(6,292,722)	-	-
Interest on other borrowings	(213,807,113)	(295,925,193)	(217,716,866)	(300,215,609)
Foreign exchange loss	(9,568,947)	(4,269,366)	(9,530,116)	(1,556,444)
	<u>(379,048,858)</u>	<u>(437,467,853)</u>	<u>(336,423,758)</u>	<u>(414,918,404)</u>
Net finance costs	<u>(229,916,697)</u>	<u>(274,243,895)</u>	<u>(202,187,784)</u>	<u>(246,891,140)</u>



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FOR THE YEAR ENDED 31ST DECEMBER 2025

10 EXPENSES

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
Raw material and consumables used / cost of sales	12,694,992,530	12,809,605,013	13,047,270,331	13,017,043,338
Insurance service expenses	440,127,531	451,221,769	-	-
Allocation of reinsurance premiums	428,516,445	298,333,367	-	-
Depreciation on property, plant and equipment (Note 13)	240,882,536	214,374,015	132,296,922	115,337,106
Depreciation on investment properties (Note 14)	6,584,080	6,584,080	6,584,080	6,584,080
Amortization of right-of-use assets (Note 19)	77,765,061	84,943,635	56,104,874	70,991,546
Amortization of intangible assets (Note 15)	20,096,842	13,179,385	14,041,690	10,156,861
Rental expense on short term leases	24,580,185	4,450,597	3,292,632	5,173,391.00
Directors' remuneration	4,755,124	4,691,682	3,394,703	3,394,064.49
Transportation	67,003,966	75,527,079	35,047,547	45,144,054.00
Vessel and fleet expenses	13,879,622	26,322,999	11,303,509	17,019,352
Audit fees	1,997,667	2,051,780	966,743	932,201
Accounting and legal charges	16,200,620	28,310,525	15,127,453	23,495,445
Distribution agency fees	8,542,138	12,398,809	8,542,138	12,398,809
Provision for slow and non moving inventories (Note 21.1)	68,721,340	66,783,551	68,520,552	67,351,940
Receivable write off	-	5,789,851	14,862,875	5,789,853
Loss on disposal of PPE	-	34,399	-	34,399
Fuel expenses	81,347,649	92,387,945	38,190,074	31,334,258
Provision for impairment of property, plant and equipment (Note 13.1.1)	-	486,351	-	-
Provision for impairment of investment in subsidiaries (Note 17)	-	-	40,125,015	28,602,609
Provision for impairment of trade, other and related party receivable (Note 22)	110,358,275	282,090,970	10,298,929	84,120,293
Provision / (reversal) for impairment of bank balances (Note 28)	738,383	(4,896,339)	450,028	(4,419,870)
(Reversal) / provision for impairment of other financial investments (Note 27)	(100,831)	(1,373,551)	(105,111)	556,251
Bank charges	36,920,067	42,186,987	28,080,497	37,444,999
Repair and maintenance	151,953,786	141,432,513	117,494,413	108,705,011
Advertisement and sales promotion expenses	40,235,282	34,465,396	29,611,795	26,161,487
Telephone, electricity and water charges	60,657,096	46,591,513	48,395,724	37,403,770
Other selling and distribution costs	30,009,907	39,137,805	31,665,476	44,307,914
Personnel costs (Note 10.1)	906,690,641	830,883,440	623,253,160	559,890,903
Other expenses (Note 10.2)	98,867,887	82,649,863	162,761,959	126,969,612
	15,632,323,831	15,690,645,428	14,547,578,008	14,481,923,675
Classified as:				
Cost of sales	13,684,556,069	13,671,803,162	13,125,819,543	13,095,293,019
Selling and marketing costs	876,057,517	827,230,618	766,424,116	703,031,822
Impairment loss on trade & other receivables and related party receivable	110,358,275	282,090,970	10,298,929	84,120,293
Administration expenses	945,203,409	901,415,713	629,494,873	591,755,181
Other operating expenses	16,148,561	8,104,965	15,540,545	7,723,358
	15,632,323,831	15,690,645,428	14,547,578,008	14,481,923,675
10.1 Personnel costs				
Salaries and wages	315,603,262	293,542,310	186,792,661	166,490,851
Staff welfare	6,059,998	4,260,339	22,141,060	17,529,203
Employer's contribution to government pension fund	18,010,693	16,523,681	10,754,190	9,885,376
Bonus, overtime and allowances	498,866,375	454,457,291	358,118,189	324,226,158
Retirement benefit provision and expenses	14,353,783	17,860,532	11,684,226	13,103,034
Staff training expenses	16,917,682	11,809,169	13,774,608	10,202,551
Other staff related expenses	36,878,849	32,430,119	19,988,226	18,453,730
	906,690,641	830,883,440	623,253,160	559,890,903

10.2 The Group's other expenses mainly include of Travelling expenses MVR 18,274,862 (2024: MVR 16,815,946), Data Communication and Network expenses MVR 10,728,881 (2024: MVR 10,419,654), Demurrage MVR 9,914,560 (2024: MVR 10,050,526), Corporate Social Responsibility MVR 9,252,097 (2024: MVR 6,440,228), Software and Hardware Licensing MVR 46,759,422 (2024: MVR 36,613,967), and Royalty MVR 5,521,286 (2024: MVR 861,776).

The Company's other expenses mainly include of Travelling expenses MVR 12,143,099 (2024: MVR 12,148,220), Data Communication and network expenses MVR 5,824,962 (2024: MVR 6,724,147) Demurrage MVR 9,255,564 (2024: MVR 9,995,050) Insurance MVR 27,315,471 (2024: MVR 17,090,128), Corporate Social Responsibility MVR 8,110,168 (2024: MVR 5,927,283), Software and Hardware Licensing MVR 41,408,461 (2024: MVR 33,672,279) and Royalty MVR 5,521,286 (2024: MVR 861,776).



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FOR THE YEAR ENDED 31ST DECEMBER 2025

11 INCOME TAX EXPENSE

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
<i>Items recognized in profit or loss</i>				
11.1 Current tax expense				
Current tax expense	196,518,513	198,769,087	154,561,805	152,797,481
Under provision in respect of prior years	9,632	-	-	-
	196,528,145	198,769,087	154,561,805	152,797,481
Deferred tax adjustments				
Deferred tax asset recognized (Note 11.3)	(20,627,153)	(48,540,543)	(3,591,215)	(48,105,665)
Deferred tax liability recognized (Note 11.4)	1,027,093	4,674,281	-	-
	(19,600,060)	(43,866,262)	(3,591,215)	(48,105,665)
Income tax expense	176,928,085	154,902,825	150,970,590	104,691,816
11.2 Reconciliation between accounting profit and taxable income:				
Profit before tax	962,157,802	927,272,869	914,420,563	846,150,388
Loss of subsidiary which is not subject to tax	191,879,040	11,262,161	-	-
	1,154,036,842	938,535,030	914,420,563	846,150,388
Tax calculated at the rate of 15%	173,105,526	140,780,255	137,163,084	126,922,557
Add: tax on non-deductible expenses	121,192,009	162,192,683	96,237,779	113,812,469
Add: under provision in respect of prior years	9,632	-	-	-
Less: tax on deductible expenses	(117,379,082)	(148,070,112)	(82,430,274)	(136,043,211)
Income tax expense	176,928,085	154,902,825	150,970,590	104,691,816

In accordance with the provisions of the Income Tax Act Law Number 25/2019 and subsequent amendments and regulations thereto, the Group / the Company is liable for income tax on its taxable profits at the rate of 15%.

11.3 Deferred tax asset

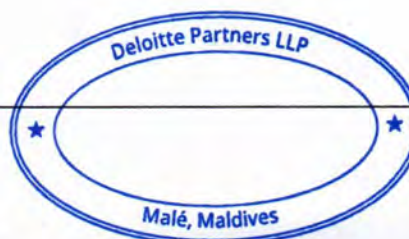
As at 1st January	277,699,060	227,815,947	183,651,764	134,500,445
Deferred tax asset recognized during the year (Note 11.1)	20,627,154	48,540,543	3,591,215	48,105,665
Deferred tax asset recognized in other comprehensive income	651,368	1,342,570	901,723	1,045,653
As at 31st December	298,977,583	277,699,060	188,144,702	183,651,764

11.4 Deferred tax liability

	Group		Company	
	31/12/2025 MVR	31/12/2024 MVR	31/12/2025 MVR	31/12/2024 MVR
As at 1st January	10,197,496	3,543,756	-	-
Deferred tax liability recognized during the year (Note 11.1)	1,027,093	4,674,281	-	-
Deferred tax liability (reversed) / recognized in other comprehensive income	(2,052,136)	1,979,459	-	-
As at 31st December	9,172,453	10,197,496	-	-

11.5 The recognized deferred tax asset is attributable to the following:

	Group			
	31/12/2025		31/12/2024	
	Temporary difference MVR	Tax effect MVR	Temporary difference MVR	Tax effect MVR
Property, plant and equipment	441,823,617	66,273,543	413,281,809	61,992,271
Defined benefit obligation	107,662,964	16,149,444	96,210,937	14,431,640
Provisions on trade, other, related party receivable and other asset balances	1,443,697,312	216,554,597	1,341,834,329	201,275,148
	1,993,183,893	298,977,583	1,851,327,074	277,699,060



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11 TAX EXPENSE (CONTINUED)

11.5 The recognized deferred tax asset is attributable to the following; (continued)

	Company			
	31/12/2025		31/12/2024	
	Temporary difference	Tax effect	Temporary difference	Tax effect
	MVR	MVR	MVR	MVR
Property, plant and equipment	357,826,284	53,673,943	339,367,281	50,905,092
Defined benefit obligation	88,101,994	13,215,299	75,612,661	11,341,899
Provisions on trade, other, related party receivable and cash and bank balance	808,369,735	121,255,460	809,365,155	121,404,773
	1,254,298,013	188,144,702	1,224,345,098	183,651,764

11.6 The recognized deferred tax liability is attributable to the following;

	Group			
	31/12/2025		31/12/2024	
	Temporary difference	Tax effect	Temporary difference	Tax effect
	MVR	MVR	MVR	MVR
Property, plant and equipment	10,980,035	1,647,005	4,900,359	735,054
Provision for receivables	(219,755)	(32,963)	(182,247)	(27,337)
Defined benefit obligation	(9,020,999)	(1,353,150)	(7,592,194)	(1,138,829)
Intangible assets	6,472,909	970,936	5,232,389	784,858
Available for sale reserve	52,937,500	7,940,624	65,625,000	9,843,750
	61,149,690	9,172,453	67,983,307	10,197,496

12 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on profit for the year attributable to the ordinary shareholders and weighted number of ordinary shares outstanding during the year and calculated as follows.

	Group		Company	
	2025	2024	2025	2024
Profit for the year attributable to the ordinary shareholders - MVR	780,890,253	770,472,086	763,449,973	741,458,572
Weighted average number of ordinary shares	1,126,910	1,126,910	1,126,910	1,126,910
Basic and diluted earnings per share - MVR	693	684	677	658

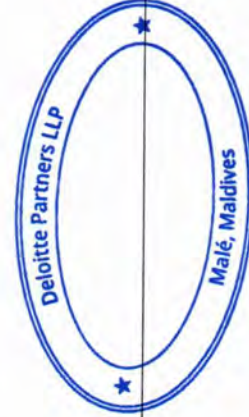


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FOR THE YEAR ENDED 31ST DECEMBER 2025

13 PROPERTY, PLANT AND EQUIPMENT

13.1 Group	Freehold land MVR	Freehold buildings MVR	Leasehold buildings MVR	Plant and machinery MVR	Vessels and fleet MVR	Motor vehicles MVR	Air conditioners MVR	Office equipment MVR	Furniture and fixtures MVR	Other assets MVR	Total	
											31/12/2025 MVR	31/12/2024 MVR
Cost												
As at 1st January	1,153,828,699	713,459,723	114,018,937	440,946,230	1,156,768,109	233,139,093	26,208,803	195,409,993	35,514,082	233,339,849	4,302,633,519	4,099,869,739
Additions during the year	-	-	3,214,667	17,188,706	45,912,858	27,617,874	1,133,699	14,118,825	2,089,740	17,274,911	128,551,280	174,876,701
Disposals during the year	-	-	-	(9,824,687)	(8,931,494)	(4,645,365)	(1,565,022)	(5,731,642)	(163,199)	(2,609,729)	(33,471,139)	(5,420,640)
Transferred from capital work in progress (Note 13.1.1)	-	149,650,972	235,815	20,446,470	67,978,678	2,109,177	6,019,817	13,086,658	2,944,338	343,165	262,815,090	33,307,719
Disposal of a subsidiary (Note 16.4)	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st December	1,153,828,699	863,110,696	117,469,420	468,756,720	1,261,728,152	258,220,779	31,797,298	216,883,835	40,384,961	248,348,197	4,660,528,750	4,302,633,519
Accumulated depreciation												
As at 1st January	-	485,313,578	77,479,706	270,035,432	631,495,534	187,964,267	22,655,528	156,588,433	26,006,623	160,427,760	2,017,966,861	1,806,860,971
Charge for the year (Note 10)	-	28,838,249	6,390,418	27,240,751	124,817,039	14,023,764	1,936,951	16,875,290	4,622,820	16,137,254	240,882,536	214,374,015
Disposals during the year	-	-	-	(8,170,202)	(8,662,504)	(4,645,365)	(1,346,600)	(5,574,296)	(163,199)	(2,461,823)	(31,024,059)	(3,268,125)
As at 31st December	-	514,151,827	83,870,124	289,105,981	747,650,069	197,342,666	23,245,879	167,889,356	30,466,243	174,103,192	2,227,825,338	2,017,966,861
Net carrying amount												
As at 31st December 2025	1,153,828,699	348,958,870	33,599,297	179,650,740	514,078,083	60,878,113	8,551,419	48,994,478	9,918,718	74,245,005	2,432,703,423	2,284,666,676
As at 31st December 2024	1,153,828,699	228,146,146	36,539,231	170,910,798	525,272,575	45,174,826	3,553,275	38,821,560	9,507,459	72,912,107	2,284,666,676	2,284,666,676
Capital work in progress (Note 13.1.1)												
Total												
											538,791,665	311,371,634
											2,971,495,085	2,596,038,310
13.1.1 Capital work in progress												
As at 1st January											311,371,634	226,495,483
Additions during the year											504,141,001	134,716,180
Transferred to property, plant and equipment (Note 13.1)											(262,815,090)	(33,307,719)
Transferred to intangible assets (CWIP) (Note 15.3)											(100,571)	(12,761,654)
Derecognition during the year											(13,805,310)	(486,350)
Impairment of assets (Note 10)											-	(3,284,307)
Reclassification (Note 15)											538,791,665	311,371,634
As at 31st December											538,791,665	311,371,634
13.1.2 Borrowings from Bank of Maldives Ple and Habib Bank Limited												
As at 1st January												
Additions during the year												
Disposals during the year												
As at 31st December												
13.1.3 In 2025, the Group has not capitalised any borrowing costs (2024: MVR 2,129,530/-) on capital work in progress. Borrowing costs were capitalised at the rate of 1 month SOFR + 6.21% for 2024.												



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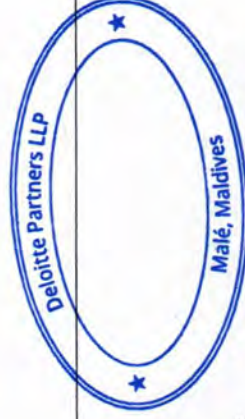
13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Freehold land MVR	Buildings MVR	Plant and machinery MVR	Vessels and fleet MVR	Motor vehicles MVR	Air conditioners MVR	Office equipment MVR	Furniture and fixtures MVR	Other assets MVR	Total 31/12/2025 MVR	Total 31/12/2024 MVR
Cost											
As at 1st January	1,153,828,698	707,565,618	273,411,444	586,840,286	203,221,123	24,949,391	135,672,926	13,284,226	43,009,019	3,141,782,731	2,985,961,785
Additions during the year	-	-	9,041,318	10,158,304	17,012,215	1,040,089	8,588,488	864,317	588,760	47,293,491	129,357,922
Disposal during the year	-	-	(9,824,687)	(1,037,180)	(3,345,365)	(1,565,022)	(5,091,582)	(163,199)	(368,035)	(21,395,071)	(2,497,175)
Transferred from capital work in progress (Note 13.2.1)	-	149,650,972	1,639,167	15,711,709	2,101,775	6,019,817	13,086,658	2,944,338	280,345	191,434,781	28,960,199
Transferred to investment properties (Note 14)	-	-	-	-	-	-	-	-	-	-	-
Transferred to intangible assets (Note 15.1)	-	-	-	-	-	-	-	-	-	-	-
Impairment provision	-	-	-	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-	-	-	-
As at 31st December	1,153,828,698	857,216,590	274,267,242	611,673,119	218,989,747	30,444,275	152,256,490	16,929,682	43,510,089	3,359,115,932	3,141,782,731
Accumulated depreciation											
As at 1st January	-	481,467,251	165,304,968	285,188,395	163,262,746	21,488,060	107,196,479	9,269,696	42,539,075	1,275,716,670	1,162,842,340
Charge for the year (Note 10)	-	28,604,683	19,656,406	54,804,937	12,512,381	1,854,309	11,818,996	2,145,484	899,726	132,296,922	115,337,106
Disposals during the year	-	-	(8,170,202)	(791,262)	(3,345,365)	(1,346,600)	(5,003,169)	(163,199)	(368,035)	(19,187,834)	(2,462,776)
As at 31st December	-	510,071,934	176,791,172	339,202,069	172,429,762	21,995,768	114,012,306	11,251,981	43,070,766	1,388,825,758	1,275,716,670
Net carrying value											
As at 31st December 2025	1,153,828,698	347,144,656	97,476,070	272,471,050	46,559,985	8,448,507	38,244,184	5,677,701	439,323	1,970,290,174	-
As at 31st December 2024	1,153,828,698	226,098,367	108,106,476	301,651,891	39,958,377	3,461,331	28,476,447	4,014,530	469,944	-	1,866,066,061
Capital work in progress (Note 13.2.1)										393,632,078	154,886,248
Total										2,363,922,254	2,020,952,307
Capital work in progress											
As at 1st January										154,886,248	72,538,683
Additions during the year										468,899,252	117,371,298
Transferred to property, plant and equipment (Note 13.2)										(191,434,781)	(28,960,199)
Transferred to intangible assets (CWIP) (Note 15.3)										(100,571)	(2,779,228)
Reclassification (Note 15.3)										-	(3,284,307)
Transfer to lease receivable (Note 20.1)										(24,812,760)	-
Derecognition										(13,805,310)	-
As at 31st December										393,632,078	154,886,248

13.2.2 Borrowings from Bank of Maldives Plc and Habib Bank Limited are secured on STO Trade Center building (USD 13,000,000), super market warehouse (USD 652,983) and home improvement land and building (USD 8,035,000), respectively.

13.2.3 Company has not capitalised any borrowing costs during 2025 (2024: MVR 801,840) on Vessel & Fleet. Borrowing costs were capitalised at the rate of 6% in 2024.

13.2.4 The company has planned to relocate Funadhoo fuel terminal to Thilafushi.



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14 INVESTMENT PROPERTY	Group		Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	MVR	MVR	MVR	MVR
Cost				
As at 1st January	174,780,695	174,780,695	174,780,695	174,780,695
As at 31st December	174,780,695	174,780,695	174,780,695	174,780,695
Accumulated depreciation				
As at 1st January	102,562,877	95,978,797	102,562,877	95,978,797
Depreciation for the year (Note 10)	6,584,080	6,584,080	6,584,080	6,584,080
As at 31st December	109,146,957	102,562,877	109,146,957	102,562,877
Net carrying amount	65,633,738	72,217,818	65,633,738	72,217,818
Capital work in progress (Note 14.1)	-	287,559,138	-	287,559,138
Total	65,633,738	359,776,956	65,633,738	359,776,956
14.1 Capital work in progress				
As at 1st January	656,663,809	656,663,809	656,663,809	656,663,809
Disposal during the year	(656,663,809)	-	(656,663,809)	-
	-	656,663,809	-	656,663,809
Provision for impairment of investment in Hulhumale hotel	-	(369,104,671)	-	(369,104,671)
As at 31st December	-	287,559,138	-	287,559,138
14.2 Provision for impairment of investment in Hulhumale hotel				
As at 1st January	369,104,671	369,104,671	369,104,671	369,104,671
Write-off during the year	(369,104,671)	-	(369,104,671)	-
As at 31st December	-	369,104,671	-	369,104,671

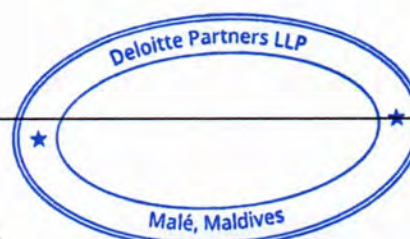
14.3 During the year 2025, Hulhumale hotel, which had been classified as work in progress, was measured at a fair value of USD 20 million and disposed to Housing Development Cooperation (HDC). The consideration comprised a parcel of land located at Hulhumale, with the remaining balance to be settled in cash.

14.4 Investment property comprises a number of commercial properties that are leased to third parties.

14.5 Income earned from investment property

The rental income and direct expenses in relation to investment properties are as follows;

	Group		Company	
	2025	2024	2025	2024
	MVR	MVR	MVR	MVR
Rent income	14,124,065	20,848,809	32,788,024	35,552,147
Direct expenses	(9,981,128)	(12,164,017)	(23,170,486)	(20,742,523)



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14.6 Income receivable from investment property

Investment properties are leased to tenants under operating leases with rentals payable monthly.

Minimum lease payments receivable on leases of investment properties are as follows:

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
Within 1 year	21,506,265	23,825,823	30,474,424	37,937,466
Between 1 - 2 years	15,188,615	17,494,550	17,359,101	21,961,826
Between 2 - 3 years	10,096,253	13,072,683	11,067,107	14,626,780
Over 3 years	20,675,115	25,544,453	42,528,642	49,507,830
	67,466,248	79,937,509	101,429,274	124,033,901

15 INTANGIBLE ASSETS

15.1 GROUP

Cost

As at 1st January
Additions during the year
Transferred from capital work-in-progress (Note 15.3)
As at 31st December

Accumulated amortization

As at 1st January
Amortization for the year (Note 10)
As at 31st December

Net carrying value

Capital work-in-progress (Note 15.3)

Total

	Goodwill on Consolidation	Computer software	Total 2025	Total 2024
	MVR	MVR	MVR	MVR
As at 1st January	3,155,217	223,942,920	227,098,137	109,989,094
Additions during the year	-	518,436	518,436	6,661,993
Transferred from capital work-in-progress (Note 15.3)	-	6,660,912	6,660,912	110,447,050
As at 31st December	3,155,217	231,122,268	234,277,485	227,098,137
As at 1st January	3,155,217	105,232,821	108,388,038	95,208,653
Amortization for the year (Note 10)	-	20,096,842	20,096,842	13,179,385
As at 31st December	3,155,217	125,329,663	128,484,880	108,388,038
As at 31st December	-	105,792,605	105,792,604	118,710,098
Capital work-in-progress (Note 15.3)			3,611,809	5,899,428
Total			109,404,413	124,609,526

15.2 COMPANY

Cost

As at 1st January
Transferred from capital work-in-progress (Note 15.3)
As at 31st December

Accumulated amortization

As at 1st January
Charges for the year (Note 10)
As at 31st December

Net carrying value

Capital work-in-progress (Note 15.3)

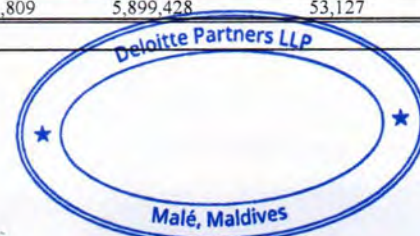
Total

	Computer software	
	2025 MVR	2024 MVR
As at 1st January	172,544,197	74,276,004
Transferred from capital work-in-progress (Note 15.3)	3,574,126	98,268,193
As at 31st December	176,118,323	172,544,197
As at 1st January	78,015,337	67,858,476
Charges for the year (Note 10)	14,041,690	10,156,861
As at 31st December	92,057,027	78,015,337
As at 31st December	84,061,296	94,528,860
Capital work-in-progress (Note 15.3)	53,127	3,526,682
Total	84,114,423	98,055,542

15.3 Capital work-in-progress

As at 1st January
Additions during the year
Transferred from property, plant and equipment (CWIP) (Note 13.1.1 and 13.2.1)
Transferred to intangible asset (Note 15.1)
Write-off during the year
Reclassification (Note 13.2.1)
As at 31st December

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
As at 1st January	5,899,428	70,716,680	3,526,682	58,729,178
Additions during the year	4,272,722	42,636,038	-	37,002,163
Transferred from property, plant and equipment (CWIP) (Note 13.1.1 and 13.2.1)	100,571	12,761,654	100,571	2,779,228
Transferred to intangible asset (Note 15.1)	(6,660,912)	(110,447,050)	(3,574,126)	(98,268,193)
Write-off during the year	-	(13,052,200)	-	-
Reclassification (Note 13.2.1)	-	3,284,307	-	3,284,307
As at 31st December	3,611,809	5,899,428	53,127	3,526,682



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16 INVESTMENT IN SUBSIDIARIES

	% of interest held	Company	
		2025 MVR	2024 MVR
Maldive Gas Private Limited	90%	61,200,000	61,200,000
Allied Insurance Company of the Maldives Private Limited	100%	807,000	807,000
STO Maldives (Singapore) Private Limited	100%	1,459,750	1,459,750
Fuel Supplies Maldives Private Limited	100%	60,477,185	60,477,185
Maldives National Oil Company Limited	100%	10,000,000	10,000,000
STO Hotels & Resorts Private Limited	100%	999,900	999,900
Maldives State Shipping Company Private Limited	100%	162,261,270	162,261,270
Provision for impairment of investment in subsidiaries (Note 16.1)		(81,033,079)	(40,908,064)
		<u>216,172,026</u>	<u>256,297,041</u>

16.1 Provision for impairment of investment in subsidiaries

	Company	
	2025 MVR	2024 MVR
As at 1st January	40,908,064	12,305,455
Provision for the year	40,125,015	28,602,609
As at 31st December	<u>81,033,079</u>	<u>40,908,064</u>

16.2 Due to the continuous losses incurred by the subsidiaries, Maldives National Oil Company Private Limited ("MNOC"), STO Maldives (Singapore) Private Limited and STO Hotels and Resorts Private Limited ("STOHR"), the Board of Directors of the Company has assessed the recoverable value of the investment in those subsidiary Companies and concluded that no additional provision is required for the subsidiaries in 2024 and 2025. A provision was made for investment in Maldives State Shipping ("MSS") in 2025 based on recoverability of the investment.

16.3 Recoverable amount of the subsidiary is based on fair value less cost to sell. The fair value measurement have been categorised as a Level 3 fair value based on the inputs to the valuation technique used. since current price in an active market is not available the directors consider net assets values from the audited financial statements to measure the recoverable amounts.

	STO Maldives (Singapore) Pte Ltd MVR	STO Hotel and Resorts Pvt Ltd MVR	Maldives National Oil Company Pvt Ltd MVR	Maldives State Shipping MVR	Total MVR
Estimated recoverable value	-	-	154,195	93,533,646	93,687,841
Cost of the investment in subsidiary	1,459,750	999,900	10,000,000	162,261,270	174,720,920
Provision for impairment	(1,459,750)	(999,900)	(9,845,805)	(68,727,624)	(81,033,079)

The recoverable amount of the investment in Maldives state shipping was determined based on fair value less costs of disposal, using a discounted cash flow model. This approach is categorized within Level 3 of the fair value hierarchy. There were no changes to the valuation technique used during the year.

Key assumptions used in the DCF model included:

- Forecasted revenue growth of minimum 5% per year.
- A discount rate of 10%



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17 EQUITY - ACCOUNTED INVESTEES

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
Interest in associates (Note 17.1)	199,915,420	135,082,770	195,607,267	133,927,267
Interest in joint venture (Note 17.3)	41,409,265	40,438,348	4,700,000	4,700,000
	<u>241,324,685</u>	<u>175,521,118</u>	<u>200,307,267</u>	<u>138,627,267</u>

17.1 Investment in Associates

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
As at 1st January	135,082,770	13,262,341	133,927,267	10,567,267
Investments during the year	61,680,000	123,360,000	61,680,000	123,360,000
Share of profit / (loss) for the year (net of tax)	3,152,650	(1,539,571)	-	-
As at 31st December	<u>199,915,420</u>	<u>135,082,770</u>	<u>195,607,267</u>	<u>133,927,267</u>

Raysut Maldives Cement Private Limited

Lafarge Maldives Cement Private Limited has changed its ownership structure on 21st July 2020 and accordingly the name of the company was changed from Lafarge Maldives Cement Private Limited to Raysut Maldives Private Limited ("Associate") on 12th August 2020. The principal activity of the associate is trading of cement.

Raysut Maldives Cement Private Limited is a limited liability company incorporated in the Republic of Maldives. State Trading Organization PLC has acquired 10,567,267/- shares, at the price of MVR 1/- each on 8 of January 2002 in Raysut Maldives Cement Private Limited which represents 25% of the shareholding of that company.

Maldives Industrial Development Free Zone PLC

On 7th January 2024, the Maldives Industrial Development Free Zone (MIDFZ) was incorporated with the objective of facilitating large-scale importation and re-export activities, focusing on the development of free trade zones to optimize profits and enhance international trade. As of 31st December 2025, the Company held 33.05% shares of MIDFZ, thereby exercising significant influence without controlling interest.



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17 EQUITY - ACCOUNTED INVESTEEES (CONTINUED)

17.1 The summarized financial information of the associate, which is incorporated in the Republic of Maldives and unlisted, is as follows:

a. Raysut Maldives Cement Private Limited

	2025 MVR	2024 MVR
Percentage of ownership	25%	25%
Non current assets	30,380,191	32,303,050
Current assets	101,599,034	70,697,894
Non current liabilities	(23,834,293)	(23,762,297)
Current liabilities	(44,814,190)	(30,501,516)
Net assets (100%)	63,330,742	48,737,130
Group's share of net assets	15,832,686	12,184,283
Carrying amount of interest in associates	15,832,686	12,184,283
Revenue	132,535,085	105,545,413
Profit / (Loss) after tax	14,593,611	(4,312,234)
Group's share of Profit / (loss) after tax	3,648,403	(1,078,058)

b. Maldives Industrial Development Free Zone PLC

	2025 MVR	2024 MVR
Percentage of ownership (The Group does not have control but it has significant influence)	33.05%	49.92%
Non current assets	696,983,999	246,720,000
Current assets	451,737	155,359
Non current liabilities	(71,266,612)	(687,333)
Current liabilities	(68,780,948)	-
Net assets (100%)	557,388,176	246,188,026
Group's share of net assets	184,238,659	122,898,487
Carrying amount of interest in associates	184,238,659	122,898,487
Revenue	-	-
Loss profit after tax	(1,499,830)	(924,494)
Group's share of loss after tax	(495,753)	(461,513)

17.2 Investment in joint venture

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
As at 1st January	40,438,348	35,415,897	4,700,000	4,700,000
Share of profit for the year (net of tax)	12,970,917	15,022,451	-	-
Dividend received	(12,000,000)	(10,000,000)	-	-
As at 31st December	41,409,265	40,438,348	4,700,000	4,700,000

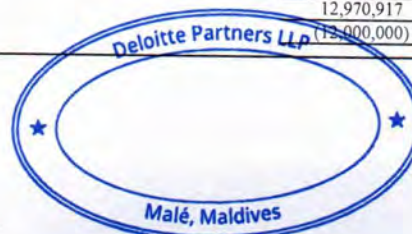
Maldives Structural Products Private Limited

State Trading Organization PLC has acquired 47,000 shares at the price of MVR 100/- each on 31 December 2001 in Maldives Structural Products Private Limited which represents 50% of the shareholding of the Company. Maldives Structural Products Private Limited ("Joint Venture") is engaged in the business of manufacturing and trading of structural products.

The summarized financial information of the joint venture, which is incorporated in Republic of Maldives and unlisted, is as follows:

Maldives Structural Products Private Limited

	2025 MVR	2024 MVR
Percentage of ownership	50%	50%
Non current assets	5,987,220	7,205,871
Cash and cash equivalents	3,891,762	1,331,238
Other current assets	86,127,587	99,100,054
Non current financial liabilities	(6,511,434)	(6,387,354)
Current financial liabilities	(708,928)	(838,777)
Other current liabilities	(5,967,679)	(19,534,338)
Net assets (100%)	82,818,529	80,876,695
Group's share of net assets	41,409,265	40,438,348
Carrying amount of interest in joint venture	41,409,265	40,438,348
Revenue	134,237,812	123,756,985
Depreciation and amortization	(1,584,816)	(1,580,571)
Interest expense	(936,648)	(8,465,091)
Income tax expense	(4,491,174)	(5,218,232)
Profit after tax	25,941,834	30,044,902
Group's share of profit after tax	12,970,917	15,022,451
Dividend received by the Group	(12,000,000)	(10,000,000)



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18 INVESTMENT IN EQUITY INSTRUMENTS

	Group		Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	MVR	MVR	MVR	MVR
As at 1st January	107,865,800	95,990,800	2,240,800	2,240,800
Net change in fair value during the year	(12,687,500)	11,875,000	-	-
As at 31st December	95,178,300	107,865,800	2,240,800	2,240,800

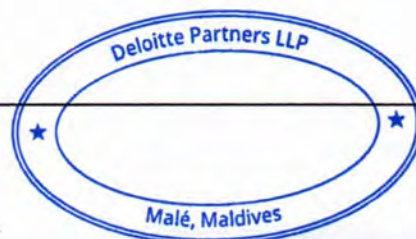
Determining the fair value

Marketable equity securities are measured at fair value annually at the close of business on 31st December. For investments traded in active markets, the fair value is determined by reference to Stock exchange quoted bid prices. Other investments (unlisted securities) are measured at fair value based on the adjusted net assets of the investee company. Equity investments are classified as non-current assets, unless they are expected to be realized within twelve months of the reporting date or unless they are intended to be sold to raise operating capital.

18.1 Movement in investment in equity instruments

	Group		Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	MVR	MVR	MVR	MVR
Maldives Stock Exchange Company Private Limited	2,240,800	2,240,800	2,240,800	2,240,800
Dhivehi Raajjeyge Gulhun PLC	18,937,500	20,625,000	-	-
Ooredoo Maldives PLC	74,000,000	85,000,000	-	-
	95,178,300	107,865,800	2,240,800	2,240,800

The Group has acquired 125,000 shares at MVR 80 per share and 1,000,000 shares at MVR 30 ordinary share of the Dhivehi Rajjeyge Gulhun PLC and Ooredoo Maldives PLC respectively. The fair value of Dhivehi Rajjeyge Gulhun PLC and Ooredoo Maldives PLC were at MVR 152 and MVR 74 per share respectively as at 31 December 2025. Quoted equities are valued using level 1 input.



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19 RIGHT-OF-USE ASSET

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
Cost				
As at 1st January	699,380,617	417,191,279	591,583,977	312,488,615
Additions during the year	58,583,599	225,306,661	17,785,047	215,806,744
Modifications during the year (Note 32)	9,902,605	80,092,541	11,911,565	80,356,335
De-recognitions during the year	(70,725,421)	(23,209,864)	(59,803,420)	(17,067,716)
As at 31st December	697,141,400	699,380,617	561,477,169	591,583,977
Accumulated depreciation				
As at 1st January	225,189,217	156,444,330	196,842,274	135,907,328
Charge for the year (Note 10)	77,765,061	84,943,635	56,104,874	70,991,546
De-recognitions during the year	(35,720,526)	(16,198,748)	(24,798,525)	(10,056,600)
As at 31st December	267,233,751	225,189,217	228,148,623	196,842,274
Net carrying value	429,907,649	474,191,400	333,328,546	394,741,703

The Company and the Group has recognized right of use assets relating to the leasehold right of vessels, retail outlets, offices and warehouses.
Lease modification represents impact of lease extensions and change in rentals during the year.

20 LEASE RECEIVABLE

20.1 Finance Lease

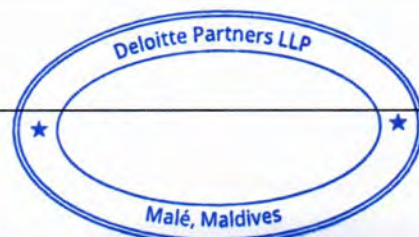
	Group		Company	
	31/12/2025 MVR	31/12/2024 MVR	31/12/2025 MVR	31/12/2024 MVR
Vessels	-	-	74,691,673	79,002,778
	-	-	74,691,673	79,002,778

	Group		Company	
	31/12/2025 MVR	31/12/2024 MVR	31/12/2025 MVR	31/12/2024 MVR
As at 1st January	-	-	79,002,778	102,434,431
Transferred from CWIP (Note 13.2.1)	-	-	24,812,760	-
Interest income of lease receivable	-	-	8,691,646	9,879,509
Proceeds of interest portion of lease receivable	-	-	(8,691,646)	(9,879,509)
Principal element of lease proceeds	-	-	(29,123,865)	(23,431,653)
As at 31st December	-	-	74,691,673	79,002,778

	Group		Company	
	31/12/2025 MVR	31/12/2024 MVR	31/12/2025 MVR	31/12/2024 MVR
Current	-	-	32,757,533	26,078,446
Non-Current	-	-	41,934,141	52,924,332
	-	-	74,691,673	79,002,778

Maturity analysis of non-current lease receivable is as follows:

	Group		Company	
	31/12/2025 MVR	31/12/2024 MVR	31/12/2025 MVR	31/12/2024 MVR
Between 1 to 2 years	-	-	27,963,426	29,024,215
Between 2 to 3 years	-	-	4,422,468	23,900,117
Between 3 to 4 years	-	-	4,813,374	-
Between 4 to 5 years	-	-	643,274	-
Later than 5 years	-	-	4,091,597	-
	-	-	41,934,141	52,924,332
Gross Investment in lease	-	-	198,862,719	166,555,807
Less: Unearned finance	-	-	(124,171,046)	(87,553,029)
Present value of minimum lease payment receivable	-	-	74,691,673	79,002,778



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22 TRADE AND OTHER RECEIVABLES

	Group		Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	MVR	MVR	MVR	MVR
Trade receivables	1,149,309,555	1,208,351,911	475,694,913	440,975,698
Less : provision for impairment loss (Note 22.1)	(435,367,892)	(436,390,169)	(255,690,309)	(249,927,492)
	713,941,662	771,961,742	220,004,604	191,048,206
Advances, prepayments and deposits	577,806,870	457,856,081	517,459,515	380,909,249
Government employee credit scheme	26,291,288	33,725,983	26,291,288	33,725,983
Staff advances and other loans	9,428,951	10,319,799	9,428,951	10,319,799
Advances paid for custom duty	31,937,351	31,408,734	31,937,351	31,408,734
Miscellaneous receivable	194,300,238	142,991,365	72,991,822	71,168,218
Less : unmaturred interest	(575,016)	(1,222,016)	(575,016)	(1,222,016)
Less : provision for impairment loss (Note 22.2)	(169,409,657)	(138,030,404)	(90,126,510)	(71,432,030)
	669,780,023	537,049,542	567,407,401	454,877,932
Total trade and other receivable	1,383,721,685	1,309,011,284	787,412,005	645,926,138

22.1 Provision for impairment of trade receivables

As at 1st January	436,390,169	379,098,882	249,927,492	214,185,068
Provision made during the year	(1,022,276)	57,291,288	5,762,819	35,742,426
As at 31st December	435,367,892	436,390,169	255,690,309	249,927,492

22.2 Provision for impairment of other receivables

As at 1st January	138,030,404	135,192,824	71,432,030	89,024,538
Provision made during the year	31,379,254	2,837,581	18,694,481	(17,592,507)
As at 31st December	169,409,657	138,030,404	90,126,510	71,432,030

23 AMOUNTS DUE FROM RELATED PARTIES

	Relationship	Group		Company	
		31/12/2025	31/12/2024	31/12/2025	31/12/2024
		MVR	MVR	MVR	MVR
STO Maldives (Singapore) Private Limited	Subsidiary	-	-	-	27,868,312
Maldivian Gas Private Limited	Subsidiary	-	-	12,162,619	7,390,259
Fuel Supplies Maldives Private Limited	Subsidiary	-	-	3,243,512,283	2,815,961,292
Allied Insurance Company of the Maldives Private Limited	Subsidiary	-	-	18,173,672	22,545,375
Maldives National Oil Company Limited	Subsidiary	-	-	305,902	276,604
Maldives Industrials Fisheries Company Limited	Affiliate	34,917,848	29,847,737	8,711,696	8,648,636
STO Hotels & Resorts Private Limited	Subsidiary	-	-	98,680,605	98,647,452
Maldives State Shipping Company Private Limited	Subsidiary	-	-	197,419,347	77,942,656
Raysut Maldives Cement Private Limited	Associate	2,282,772	2,177,916	2,282,880	2,172,668
Ministry of Health	Affiliate	302,932,006	367,371,155	302,526,123	366,807,293
Ministry of Finance and Public Enterprises	Majority shareholder	161,827,712	446,077,845	161,827,712	446,077,845
State Electric Company Limited (STELCO)	Affiliate	130,891,838	208,638,152	130,541,517	208,337,764
Fenaka Corporation	Affiliate	2,783,217,357	2,301,168,586	6,845,213	5,155,754
Indira Gandhi Memorial Hospital	Affiliate	163,527,732	204,259,639	157,830,500	203,665,417
Maldives Road Development Corporation	Affiliate	38,594,498	38,594,498	37,969,676	37,969,676
Addu International Airport Private Limited	Affiliate	23,097,411	24,387,431	21,503,440	22,793,460
Aasandha Private Limited	Affiliate	232,794,451	253,816,463	232,794,451	253,816,463
Hulhumale Hospital	Affiliate	53,562,167	49,102,355	50,765,590	48,497,490
Maldives Airport Company Limited	Affiliate	390,337,784	328,155,731	389,502,704	327,785,956
Ministry of Housing and Infrastructure	Affiliate	98,356,206	98,360,863	98,145,303	98,145,303
Rainbow Enterprises Private Limited	Affiliate	1,505,042	3,380,383	1,505,042	3,380,383
Champa Oil and Gas Company Private Limited	Affiliate	21,886,905	9,604,686	21,886,905	9,604,686
National Social Protection Agency	Affiliate	349,393,020	201,780,032	349,393,020	201,780,032
Ministry of Construction	Affiliate	20,309,593	20,961,246	20,279,264	20,312,629
Maldives Transport and contracting company	Affiliate	151,611,613	152,201,275	64,904,687	63,458,738
National Disaster Management Authority	Affiliate	36,496,684	36,487,684	31,009,974	31,009,974
Island Aviation Service Ltd	Affiliate	20,440,244	21,521,730	20,412,824	21,514,226
Treetop Health Pvt Ltd	Affiliate	34,230	2,212,288	-	2,142,908
Housing Development Corporation	Affiliate	48,986,746	3,633,973	48,986,746	3,633,973
Maldives Pension Administration	Affiliate	1,804,753	30,923	1,804,753	30,923
Public Service Media	Affiliate	26,254,523	-	26,254,523	-
Regional Airports Company Limited	Affiliate	7,632,844	-	7,632,844	-
Marine & Infrastructure Development Pvt Ltd	Affiliate	37,282,328	-	37,282,328	-
Peninsula Infrastructure Development Pvt Ltd	Affiliate	68,260,462	-	68,260,462	-
Other Government entities	Affiliate	229,346,668	220,034,448	141,283,382	145,210,404
		5,437,585,436	5,023,807,038	6,012,397,985	5,582,584,551
Less : provision for impairment loss (Note 23.2)		(882,394,055)	(822,898,307)	(670,530,433)	(684,688,803)
Total amount due from related parties		4,555,191,381	4,200,908,731	5,341,867,552	4,897,895,748
Non - current		-	-	-	-
Current		4,555,191,382	4,200,908,732	5,341,867,552	4,897,895,748
		4,555,191,382	4,200,908,732	5,341,867,552	4,897,895,748

23.1 The Government of Maldives has provided an undertaking to settle the outstanding receivable due from Maldives Industrial Fisheries Company and Fenaka Corporation to the Group, and accordingly, the amount is considered recoverable as at 31st December 2025.



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23.2 Provision for impairment of amounts due from related parties

	Group		Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	MVR	MVR	MVR	MVR
As at 1st January	822,898,307	662,320,309	684,688,803	618,718,430
Provision made during the year	59,495,747	160,577,998	(14,158,371)	65,970,373
As at 31st December	882,394,055	822,898,307	670,530,433	684,688,803

24 Loans receivable from related parties

	Group		Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	MVR	MVR	MVR	MVR
As at 1st January	427,193,555	583,809,388	336,133,137	383,308,916
Loans given during the year	-	2,559,860	108,384,853	125,441,378
Interest for the year	26,597,794	29,698,181	-	-
Repayment during the year	-	(127,489,772)	(160,331,935)	(172,617,157)
Provision for impairment loss on receivable (Note 24.1)	(20,505,550)	(61,384,102)	-	-
As at 31st December	433,285,799	427,193,555	284,186,056	336,133,137
Current receivable	182,915,958	133,605,505	284,186,056	336,133,138
Non Current receivable	250,369,841	293,588,046	-	-
	433,285,799	427,193,555	284,186,056	336,133,138

24.1 Provision for impairment of loan receivables

As at 1st January	86,200,649	24,816,547	-	-
Provision made during the year	20,505,550	61,384,102	-	-
As at 31st December	106,706,199	86,200,649	-	-

24.2 The followings are the contractual maturities of loans receivable from related parties as at the reporting date

Group	Carrying amount	Contractual Cash inflow	0-12 months	1-5 years	More than 5 years
31st December 2025	MVR	MVR	MVR	MVR	MVR
Loans receivable	433,285,799	620,717,373	257,785,867	362,931,506	-
31st December 2024	MVR	MVR	MVR	MVR	MVR
Loans receivable	427,193,555	620,717,373	185,199,565	362,931,506	72,586,301
Company	Carrying amount	Contractual Cash inflow	0-12 months	1-5 years	More than 5 years
31st December 2025	MVR	MVR	MVR	MVR	MVR
Loans receivable	284,186,056	284,186,055	284,186,055	-	-
31st December 2024	MVR	MVR	MVR	MVR	MVR
Loans receivable	336,133,137	336,133,137	336,133,137	-	-

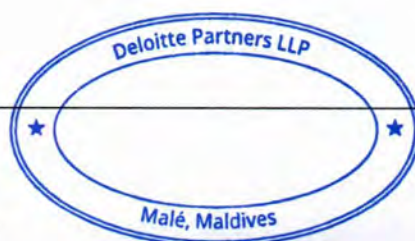
24.3 The Government of Maldives has provided an undertaking to settle the outstanding loans receivable due from Maldives Industrial Fisheries Company, and accordingly, the amount is considered recoverable as at 31st December 2025.

25 INSURANCE CONTRACT ASSETS

	Group		Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	MVR	MVR	MVR	MVR
Insurance contract assets (Note 26.2)	45,789,725	96,702,329	-	-
Net receivables from insurance	45,789,725	96,702,329	-	-

26 REINSURANCE CONTRACTS

	Group		Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	MVR	MVR	MVR	MVR
Reinsurance contract assets (Note 26.2)	174,810,741	209,531,645	-	-
Net receivables from reinsurance	174,810,741	209,531,645	-	-



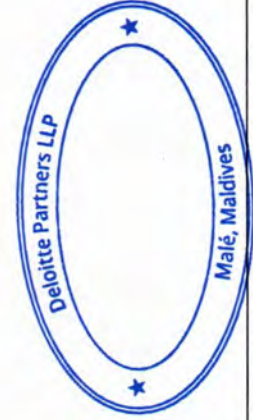
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26.1 INSURANCE SERVICE RESULTS

	General Insurance		Life		General Takaful		Family Takaful		Total 2025
	Participating	Non - Participating	Indirect Participating	Non - Participating	Direct Participating	Non - Participating	Direct Participating	Non - Participating	
Insurance revenue	769,225,556	2,081,080	2,604,821	156,593,857	763,416	421,913	931,690,643		
Insurance service expenses	(293,946,692)	(3,195,601)	81,010	(142,614,990)	(395,734)	(55,524)	(440,127,531)		
Net expenses from reinsurance contracts held	(395,033,395)	(901,752)	(249,980)	(2,592,103)	(68,484)	(52,801)	(398,898,516)		
Total insurance service result	80,245,468	(2,016,273)	2,435,851	11,386,763	299,199	313,588	92,664,596		

	General Insurance		Life		General Takaful		Family Takaful		Total 2024
	Participating	Non - Participating	Indirect Participating	Non - Participating	Direct Participating	Non - Participating	Direct Participating	Non - Participating	
Insurance revenue	644,098,184	1,998,073	3,178,472	81,388,074	1,426,279	427,732	732,516,815		
Insurance service expenses	(366,081,241)	(24,397,135)	(3,067,128)	(57,850,662)	154,555	(21,806)	(451,263,418)		
Net expenses from reinsurance contracts held	(191,180,104)	(333,481)	25,113	(7,651,975)	(71,009)	(65,413)	(199,276,869)		
Total insurance service result	86,836,839	(22,732,543)	136,457	15,885,437	1,509,825	340,514	81,976,528		

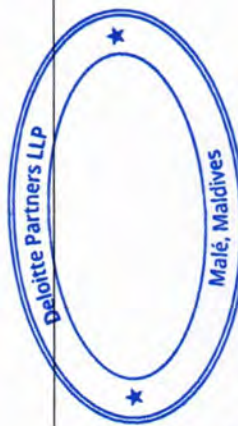


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26.2 INSURANCE AND REINSURANCE CONTRACTS

	General Insurance		Life		General Takaful		Family Takaful		Total
	Indirect Participating	Non - Participating	Indirect Participating	Non - Participating	Direct Participating	Non - Participating	Takaful Surplus		
31 December 2025									
Insurance contract balances									
- Insurance contract liabilities	(285,383,379)	(46,822,109)	(4,304,972)	(66,872,469)	(10,682,028)	-	(2,635,287)	(416,700,244)	
- Insurance contract assets	39,224,109	-	6,559,511	-	-	6,105	-	45,789,725	
	(246,159,269)	(46,822,109)	2,254,539	(66,872,469)	(10,682,028)	6,105	(2,635,287)	(370,910,519)	
Insurance contract liabilities - Group	(285,383,379)	(46,822,109)	(4,304,972)	(66,872,469)	(10,682,028)	-	(2,635,287)	(416,700,244)	
Reinsurance contracts									
- Reinsurance contract liabilities	(11,253,891)	(2,869,301)	(48,104)	(2,456,370)	(450,976)	(36,742)	-	(17,115,383)	
- Reinsurance contract assets	152,569,764	1,677,724	1,643,211	18,525,036	395,006	-	-	174,810,741	
	141,315,873	(1,191,577)	1,595,108	16,068,666	(55,970)	(36,742)	-	157,695,358	
31 December 2024									
Insurance contract balances									
- Insurance contract liabilities	(411,642,938)	(47,001,934)	(1,128,730)	(51,161,616)	(7,560,602)	-	(1,609,631)	(520,105,451)	
- Insurance contract assets	94,711,547	-	1,987,912	-	-	2,870	-	96,702,329	
	(316,931,391)	(47,001,934)	859,182	(51,161,616)	(7,560,602)	2,870	(1,609,631)	(423,403,122)	
Insurance contract liabilities - Group	(411,642,938)	(47,001,934)	(1,128,730)	(51,161,616)	(7,560,602)	-	(1,609,631)	(520,105,451)	
Reinsurance contracts									
- Reinsurance contract liabilities	(776,014)	(1,843,142)	(306,292)	(1,464,127)	(55,402)	(39,882)	-	(4,484,859)	
- Reinsurance contract assets	196,407,973	1,530,446	1,957,562	9,555,782	79,882	-	-	209,531,645	
	195,631,960	(312,696)	1,651,270	8,091,655	24,480	(39,882)	-	205,046,786	

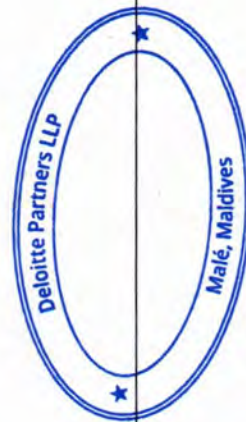


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26.3 INSURANCE AND REINSURANCE CONTRACTS

	Fire	Engineering	Liability	Workmen's compensation	Miscellaneous	Health	Marine	Total
31 December 2025								
Insurance contracts								
Insurance contract balances								
- Insurance contract liabilities	(48,296,331)	(17,440,485)	(20,996,401)	(206,685)	(29,177,564)	(118,326,843)	(50,939,070)	(285,383,379)
- Insurance contract assets	1,507,125	-	15,208,657	-	(10,389,953)	-	32,898,281	39,224,109
	(46,789,207)	(17,440,485)	(5,787,744)	(206,685)	(39,567,518)	(118,326,843)	(18,040,789)	(246,159,269)
Reinsurance contracts								
- Reinsurance contract liabilities	(7,777,310)	-	80,287,182	(97,002)	(3,907,598)	(2,852,012)	(76,907,151)	(11,253,891)
- Reinsurance contract assets	91,819,534	5,655,355	-	-	11,804,924	32,418	43,257,532	152,569,764
	84,042,224	5,655,355	80,287,182	(97,002)	7,897,326	(2,819,594)	(33,649,619)	141,315,873
31 December 2024								
Insurance contracts								
Insurance contract balances								
- Insurance contract liabilities	(207,297,555)	(5,271,393)	(28,859,090)	(1,544,919)	(19,206,662)	(107,656,094)	(41,807,226)	(411,642,938)
- Insurance contract assets	-	-	-	-	(62,210,674)	147,440,709	9,481,513	94,711,547
	(207,297,555)	(5,271,393)	(28,859,090)	(1,544,919)	(81,417,336)	39,784,615	(32,325,713)	(316,931,391)
Reinsurance contracts								
- Reinsurance contract liabilities	-	-	-	-	-	(248,631)	(527,383)	(776,014)
- Reinsurance contract assets	125,280,389	7,618,475	11,998,830	161,169	11,436,790	18,322	39,894,000	196,407,973
	129,304,191	8,832,357	16,632,562	95,675	18,569,863	(163,762)	27,300,208	195,631,960

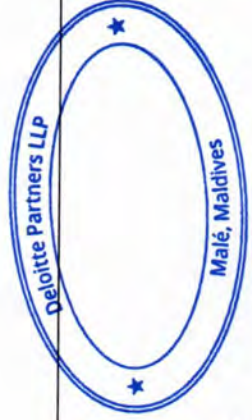


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26.4 INSURANCE AND REINSURANCE CONTRACTS - GENERAL TAKAFUL

	Fire	Engineering	Liability	Workmen's compensation	Miscellaneous	Health	Marine	Unallocated Surplus	Total
31 December 2025									
Insurance contracts									
Insurance contract balances									
- Insurance contract liabilities	(11,428,603)	(755,957)	(67,019)	(341,885)	(1,932,798)	(56,218,389)	(27,197,152)	31,069,335	(66,872,469)
- Insurance contract assets	(11,428,603)	(755,957)	(67,019)	(341,885)	(1,932,798)	(56,218,389)	(27,197,152)	31,069,335	(66,872,469)
Reinsurance contracts									
- Reinsurance contract liabilities	(613,623)	(300,849)	(22,319)	-	(237,537)	(1,131,888)	(150,154)	-	(2,456,370)
- Reinsurance contract assets	566,026	195,006	-	280,024	528,235	109,356	16,846,389	-	18,525,036
	(47,597)	(105,843)	(22,319)	280,024	290,698	(1,022,532)	16,696,234	-	16,068,666
31 December 2024									
Insurance contracts									
Insurance contract balances									
- Insurance contract liabilities	(11,727,234)	(258,447)	(34,582)	(15,488)	(1,146,788)	(24,204,421)	(6,633,768)	(7,140,889)	(51,161,616)
- Insurance contract assets	(11,727,234)	(258,447)	(34,582)	(15,488)	(1,146,788)	(24,204,421)	(6,633,768)	(7,140,889)	(51,161,616)
Reinsurance contracts									
- Reinsurance contract liabilities	-	(84,748)	(54,713)	-	-	(431,667)	(893,000)	-	(1,464,127)
- Reinsurance contract assets	1,588,764	-	-	-	407,812	39,438	7,519,768	-	9,555,782
	1,588,764	(84,748)	(54,713)	-	407,812	(392,229)	6,626,768	-	8,091,655



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27 OTHER FINANCIAL INVESTMENTS

	Group		Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	MVR	MVR	MVR	MVR
Investment in treasury bills	1,205,779,744	2,092,217,551	1,165,185,617	1,927,500,000
Corporate bonds	64,679,249	59,031,937	-	-
Investment in term deposit	782,372,831	428,474,365	599,676,406	348,350,410
Less: expected credit loss (Note 27.1)	(529,544)	(630,375)	(451,140)	(556,251)
	<u>2,052,302,280</u>	<u>2,579,093,478</u>	<u>1,764,410,883</u>	<u>2,275,294,159</u>
As at 1st January	2,579,093,478	1,612,542,108	2,275,294,159	1,107,720,000
Purchased during the year	784,301,387	1,497,833,391	580,621,136	1,325,864,000
Matured during the year	(1,321,961,491)	(557,342,391)	(1,097,395,140)	(159,600,000)
Add: interest receivable during the year	10,768,074	24,686,819	5,785,617	1,866,410
Less: expected credit loss	100,830	1,373,551	105,111	(556,251)
As at 31st December	<u>2,052,302,280</u>	<u>2,579,093,478</u>	<u>1,764,410,883</u>	<u>2,275,294,159</u>
Non - current financial investments	<u>1,388,601,349</u>	<u>1,396,059,029</u>	<u>1,277,018,477</u>	<u>1,286,774,061</u>
Current financial investments	<u>663,700,931</u>	<u>1,183,034,449</u>	<u>487,392,406</u>	<u>988,520,098</u>
27.1 Provision for impairment on other financial investments				
As at 1st January	630,375	2,003,926	556,251	-
(Reversal) / provision made during the year	(100,831)	(1,373,551)	(105,111)	556,251
As at 31st December	<u>529,544</u>	<u>630,375</u>	<u>451,140</u>	<u>556,251</u>

27.2 During the year, the Company has invested in additional Fixed deposits in SBI MVR 15,420,000 (2024: Nil) at an interest of 1.50% with a maturity period of 12 months, and additional investment in Habib Bank Limited MVR 228,440,950 (2024: 138,780,000) at an interest rate ranging from 3% to 4% with a maturity period of 6 months.

27.3 During the year the Company did not make any additional investments in treasury bills. In 2024, the Company has invested in T-bills amounting MVR 771,000,000 at the rate of SOFR plus 7.0%, with a maturity period of 3 years in Ministry of Finance and Public Enterprises.

27.4 During the year, the Company has invested in ITFC MVR 200,460,000 (2024: Nil) at an interest of 3.82% to 3.90% with a maturity period of 6 months.

27.5 The Group has invested MVR 39,680,251/- (2024: MVR 123,842,327/-) in treasury bills issued by the Ministry of Finance and Public Enterprises for a maturity value of MVR 41,500,000/- (2024: MVR 126,000,000/-) at the rate of interest 4.6% per annum (2024: 3.87% to 4.6% per annum) with the maturity period of 94 days to 305 days (2024: 28 days to 364 days).

27.6 During the year, the Group has invested MVR 30,000,000/- (2024: Nil) in the short term and long-term corporate bonds/wakala by Housing Development Finance Corporation PLC ranging from 5.5% to 6.5% (2024: Nil) with a maturity period of 5 months to 15 months (2024: Nil).

27.7 The Group made additional investments of MVR 29,450,000/- (2024: MVR 40,875,224/-) in Government Wakala certificates with an interest ranging from 4.23% to 4.60% (2024: 4.23% to 4.60% per annum) with the maturity period of 110 days to 328 days (2024: 98 days to 365 days).

27.8 During the year, the Group made no investments in Eyecare sukuk (2024: MVR 1,871,910/- at 8% per annum at a maturity period of 5 years).

27.9 The Group made additional investments of MVR 51,000,000/- (2024: MVR 8,083,262/-) in Bank of Maldives Islamic, General Investment Account at the rate of interest ranging from 4.25% to 4.75% per annum (2024: 4.0% per annum) with a maturity period of 5 to 11 months (2024: 1 year) was maintained.

27.10 Furthermore, investment of MVR 5,000,000/- (2024: Nil) in FEDO long-term corporate bonds at the rate of 8.5% per annum (2024: Nil) with a maturity period of 4.75 years (2024: Nil) was maintained. In addition, investment of MVR 10,000,000/- (2024: Nil) in MWSC long-term corporate bonds at the rate of 7.5% per annum (2024: Nil) with a maturity period of 4 years (2024: Nil) was maintained.

27.11 As at reporting date, financial investments with a carrying amount of MVR 478,244,949.28 /- (2024: MVR 331,064,000/-) have been pledged as security against loan facilities availed from Bank of Maldives, MVR 35,000,000/- and MVR 35,000,000/ for loan facilities availed from Maldives Islamic Bank.

28 CASH AND CASH EQUIVALENTS

	Group		Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	MVR	MVR	MVR	MVR
Favorable balances				
Cash in hand	4,679,170	4,648,766	2,414,416	2,217,477
Balances at banks	504,326,305	295,011,369	226,293,549	111,660,339
Short-term financial instruments	1,473,197,461	786,030,519	1,216,340,000	566,823,780
Impairment on bank balances (Note 28.1)	(1,029,052)	(290,669)	(648,350)	(198,322)
	<u>1,981,173,884</u>	<u>1,085,399,985</u>	<u>1,444,399,614</u>	<u>680,503,274</u>
Unfavorable balances				
Bank overdrafts	(105,328,244)	(441,380,246)	(105,328,244)	(441,380,246)
Cash and cash equivalents for the purpose of cash flow statement	<u>1,875,845,640</u>	<u>644,019,739</u>	<u>1,339,071,370</u>	<u>239,123,028</u>

28.1 Provision for impairment on bank balance

As at 1st January	290,669	5,187,008	198,322	4,618,192
Provision / (reversal) made during the year (Note 10)	738,383	(4,896,339)	450,028	(4,419,870)
As at 31st December	<u>1,029,052</u>	<u>290,669</u>	<u>648,350</u>	<u>198,322</u>

28.2 During the year, the Company has invested in short term deposit of MVR 123,360,000 (2024: MVR 77,100,000) in Habib Bank Limited at the rate of interest ranging from 2.75% to 5.25% with a maturity period of 3 months, investments in ITFC of MVR 77,100,000 (2024: MVR 354,660,000) at an interest rate ranging from 4.05% with a maturity period of 3 months. No additional investments were made in Ministry of Finance and Public Enterprises during the year (2024: MVR 135,063,780 at an interest rate ranging from 2.50% to 8.50% with a maturity period of 3 months).

28.3 During the year, the group has made a short-term investment of MVR 31,722,050/- (2024: MVR 31,593,046/-) in Maldives Islamic Bank, General Investment Account at the rate ranging from 4.0% to 4.3% (2023: 2.2% to 4.0%) with a maturity period of 2 to 3 months, additional investments of MVR 161,562,354/- in government T-Bills and Wakala (2024: 176,379,583/-) at rates ranging from 3.78% to 4.60% with a maturity period of 12 to 84 days, and investment of MVR 57,825,000/- (2024: Nil) in Habib Bank Limited at the interest rate 3.00% (2024: Nil) with a maturity period of 2.5 months.

28.4 As at the reporting date, financial instruments with a carrying amount of MVR 96,575,781 and have been pledged as security for loan facilities obtained from Habib Bank Limited and financial instruments with a carrying amount of MVR 76,680,315 was pledged as security for loan facilities obtained from Bank of Maldives. (In 2024, short-term financial instruments with a carrying amount of MVR 77,100,000 have been pledged as security for loan facilities obtained from Habib Bank Limited and security amounting to MVR 354,660,000 was pledged in respect of loan facilities obtained from the International Islamic Trade Finance Corporation (ITFC)).



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29 SHARE CAPITAL AND RESERVES

A. SHARE CAPITAL AND SHARE PREMIUM

29.1 Authorized

The authorized share capital comprises 2,000,000 (2024: 2,000,000) ordinary shares of par value of MVR.50/- per share.

Issued and fully paid

The issued and fully paid share capital comprises 1,126,910 (2024: 1,126,910) ordinary shares at a par value of MVR 50 per share (2024: MVR.50/- per share)

The above mentioned 1,126,910 shares include 26,040 shares issued at a premium of MVR.250/- per share in year 2001 and 60,870 shares issued at a premium of MVR.350/- in year 2003.

29.2 Preference shares

The share capital comprises 1 (2024: 2) redeemable preference shares of MVR 100/- each.

29.3 Dividends and voting rights

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the Shareholders' meetings.

29.4 Dividends per share

At the Annual General Meeting held on 17th May 2025, a dividend of MVR 80/- per share in respect of 2024 (2024: declared dividend MVR 80/- per share in respect of 2023) amounting to a total of MVR 90,152,800/- (2024: declared MVR 90,152,800/-) was declared and approved by the shareholders and accounted for in shareholders' equity as an appropriation of retained earnings in the year ended 31st December 2025.

B. RESERVES

29.5 General reserve

20% of Profit after tax is reclassified to General reserve each year. General reserve balance will be utilized for any purpose decided by the Board of Directors.

29.6 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments until the assets are derecognized.

29.7 Claim equalization reserve

Reserve for claim equalization represents an amount transferred from retained earnings, as approved by the Board of Directors, to strengthen the Company's financial resilience against significant unforeseen catastrophes. During the year, a transfer of MVR 2,139,312 (2024: Nil) was made to this reserve.

29.8 Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

30 NON CONTROLLING INTEREST

	Group	
	31/12/2025	31/12/2024
	MVR	MVR
As at 1st January	25,894,135	25,575,817
Share of profit of subsidiary	4,339,464	1,897,958
Share of profit of other comprehensive income of subsidiary	94,784	20,360
Recall of redeemable preference shares	(100)	-
Dividend paid to non controlling Interest	(260,000)	(1,600,000)
As at 31st December	30,068,284	25,894,135

31 LOANS AND BORROWINGS

	Group		Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	MVR	MVR	MVR	MVR
As at 1st January	3,897,036,432	3,761,031,164	3,912,051,849	3,728,499,015
Loans obtained during the year	7,473,576,245	6,740,586,359	7,315,216,102	6,740,586,359
Repayments during the year	(7,134,672,590)	(6,604,581,091)	(7,068,376,810)	(6,557,033,525)
As at 31st December	4,235,940,086	3,897,036,432	4,158,891,141	3,912,051,849
31.1 Sources of finance				
Secured loans	4,204,559,999	3,843,932,138	4,158,891,141	3,912,051,849
Unsecured loans	31,380,087	53,104,294	-	-
	4,235,940,086	3,897,036,432	4,158,891,141	3,912,051,849



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31 LOANS AND BORROWINGS (CONTINUED)

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
31.2 Non - Current				
Bank borrowings	2,027,926,153	853,985,320	2,027,926,153	811,013,583
	2,027,926,153	853,985,320	2,027,926,154	811,013,583

31.3 Current				
Bank borrowings	2,208,013,933	3,043,051,112	2,062,845,277	3,032,918,556
Other borrowings	-	-	68,119,710	68,119,710
	2,208,013,933	3,043,051,112	2,130,964,987	3,101,038,266

31.4 Terms and repayment schedule	Source of finance	Nominal interest rate	Year of maturity	Security	Loan denominated currency	Group carrying value		Company carrying value	
						2025	2024	2025	2024
						MVR	MVR	MVR	MVR
Allied Insurance	5.00%		Revolving		MVR	-	-	68,119,710	68,119,710
Habib Bank Limited	8.50%		2026	Backed by STO's assets	USD	54,079,824	84,079,824	54,079,824	84,079,824
Bank of Maldives	8.50%		2026	Backed by STO's assets	USD	34,848,943	70,496,423	34,848,943	70,496,423
International Islamic Trade finance corporation	2.95% + SOFR		2026	Government guarantee	USD	1,478,641,824	1,724,042,335	1,478,641,824	1,724,042,335
CFSIT Inc	Term SOFR + 5.48%		2025	Government guarantee	USD	-	848,100,000	-	848,100,000
Habib Bank Limited	Rate of Return on Deposit + 2.5%		2027	Dollar Fixed Deposit	USD	37,041,244	61,829,556	37,041,244	61,829,556
Habib Bank Limited	8.00%		2026	Backed by HBL term deposit	USD	31,380,086	53,104,293	-	-
Habib Bank Limited	28 Day Tbill +3% pa (Floor 6.5% pa)		2026	Dollar Fixed Deposit	USD	50,000,000	50,000,000	50,000,000	50,000,000
Habib Bank Limited	6%		2027	Dollar Fixed Deposit (DP7-MAL-2050-0633)	USD	51,836,106	80,184,000	51,836,106	80,184,000
Habib Bank Limited	28 Day Tbill +3% pa (Floor 6.5% pa)		2025	MVR Lien held in Account	USD	-	77,100,000	-	77,100,000
Habib Bank Limited	28 Day Tbill +3% pa (Floor 6.5% pa)		2026	Dollar Fixed Deposit	USD	77,100,000	77,100,000	77,100,000	77,100,000
CFSIT Inc	SOFR + 7%		2027	Sovereign Guarantee	USD	771,000,000	771,000,000	771,000,000	771,000,000
Bank of Maldives	9.00%		2029	Backed by STO's assets	MVR	188,448,325	-	188,448,325	-
Bank of Maldives	9.50%		2026	Backed by STO's assets	USD	14,935,865	-	14,935,865	-
Bank of Maldives	6.00%		2028	Lien Against Treasury Bill	MVR	800,000,000	-	800,000,000	-
Habib Bank Limited	9.35%		2026	Dollar Fixed Deposit	USD	7,710,000	-	7,710,000	-
Habib Bank Limited	8.76%		2026	Dollar Fixed Deposit	USD	5,397,000	-	5,397,000	-
Habib Bank Limited	6.50%		2026	MVR Lien held in Account	USD	46,260,000	-	46,260,000	-
Habib Bank Limited	8.60%		2026	Dollar Fixed Deposit	USD	6,939,000	-	6,939,000	-
Commercial Bank of Maldives	8.50%		2029	Backed by STO's assets	MVR	78,282,190	-	78,282,190	-
State Bank of India	8.00%		2030	Backed by STO's assets	USD	277,560,000	-	277,560,000	-
Maldives Islamic Bank	7.25%		2026	Dollar Fixed Deposit	MVR	77,100,000	-	77,100,000	-
Maldives Islamic Bank	9.00%		2026	Lien Against Treasury Bill	USD	33,591,093	-	33,591,093	-
Habib Bank Limited	6M Term SOFR Rate +4% p. a (Floor of 8%		2026	MVR Fixed Deposit	USD	66,990,743	-	-	-
Bank of Maldives	9.50%		2026	MVR T-Bill Lien	USD	46,797,826	-	-	-
						4,235,940,086	3,897,036,432	4,158,891,141	3,912,051,849

31.5 Undrawn borrowing facilities

The company has undrawn loan balance of MVR 109,207,524 (2024: MVR 1,144,478,097) as at 31st December 2025. These facilities are available for use and are not subject to any restrictions.

31.6 Loan covenants

Under the terms of the loan agreements with banks, the Group is required to comply with the following key financial covenants

Minimum current ratio of 1 : 1

Minimum interest coverage ratio of 2 : 1

Maximum total outside liabilities to adjusted net worth ratio of < 4.00 times

As at 31st December 2025 and 31st December 2024, the Group was in compliance with all covenants.



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31 LOANS AND BORROWINGS (CONTINUED)

31.7 Bank borrowings of the Group / Company are secured by inventories, receivables, vessels, buildings, leasehold rights of commercial plots and guarantee from the Government of Maldives.

31.8 During the year 2025, the Group / Company has not incurred any foreign exchange loss on borrowings (2024: nil).

31.9 Maturity analysis of undiscounted loans and borrowings is as follows:

	Group		Company	
	2025	2024	2025	2024
Between 1 to 5 years	2,057,701,339	858,809,906	2,179,632,014	815,838,169
	2,057,701,339	858,809,906	2,179,632,014	815,838,169

32 LEASE LIABILITIES

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
As at 1st January	466,633,362	294,512,795	377,772,592	201,192,585
Additions during the year	58,583,599	225,306,661	17,785,047	215,806,744
Interest charge for the year (Note 9)	42,577,122	33,471,464	29,529,062	26,891,049
Modifications during the year (Note 19)	9,902,605	80,092,541	11,911,565	80,356,335
Interest payment	(42,577,122)	(33,471,464)	(29,529,062)	(26,891,049)
Principal payment	(119,499,766)	(124,739,188)	(101,328,273)	(111,043,623)
Disposals during the year	(35,784,738)	(8,539,449)	(35,784,738)	(8,539,449)
As at 31st December	379,835,064	466,633,362	270,356,193	377,772,592
Non - current liabilities	261,184,358	267,241,594	175,310,599	190,812,986
Current liabilities	118,650,706	199,391,768	95,045,593	186,959,607

32.1 The total cash outflow for leases in 2025 for Group was MVR 162,076,888/- (2024: MVR 158,210,653/-) and Company MVR 130,857,334/- (2024: MVR 137,934,672/-).

32.2 Lease modification for the year 2025 represents revision of lease terms without changing the underlying lease asset.

32.3 The Company does not face a significant liquidity risk with regard to its lease liabilities.

The security deposit of MVR 427,542 for leases in 2025 is held by the lessor throughout the term of the lease. The deposit is refundable to the company at the end of lease term.

32.4 lease term.

32.5 Maturity analysis of undiscounted non-current lease liabilities is as follows:

	Group		Company	
	2025	2024	2025	2024
Between 1 to 5 years	243,384,990	291,551,906	139,460,458	193,204,667
Later than 5 years	234,322,058	251,553,011	194,739,917	209,828,732
	477,707,049	543,104,917	334,200,375	403,033,399

Sensitivity of incremental borrowing rate to lease

	Group		Company	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
As of 31 December 2025				
(Decrease) / increase in net carrying amount of right-of-use assets	392,585	6,109,018	(1,157,610)	1,168,409
(Decrease) / increase in lease liability	(1,336,545)	3,275,707	(940,867)	949,852
(Decrease) / increase in depreciation	(387,969)	1,179,107	(118,382)	119,158
Increase / (decrease) in interest expense	2,219,766	331,896	208,272	(209,380)
Increase / (decrease) in total expense	1,831,797	1,511,003	89,889	(90,222)

	Group		Company	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
As of 31 December 2024				
(Decrease) / increase in net carrying amount of right-of-use assets	(3,410,294)	3,640,594	(1,223,851)	1,235,163
(Decrease) / increase in lease liability	(1,024,944)	5,246,933	(1,106,147)	1,115,971
(Decrease) / increase in depreciation	(517,117)	544,537	(124,613)	125,361
Increase / (decrease) in interest expense	2,111,702	744,323	186,666	(187,788)
Increase / (decrease) in total expense	1,594,585	1,288,860	62,053	(62,426)

33 DEFINED BENEFIT OBLIGATION

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
As at 1st January	103,803,130	88,857,394	75,612,662	63,555,919
Current service cost	7,068,449	6,407,675	4,933,171	4,192,838
Interest cost	4,774,944	4,087,440	3,478,182	2,923,572
Deficit for the year	5,335,863	7,629,070	6,011,484	6,971,023
	120,982,386	106,981,579	90,035,499	77,643,352
Less: payments during the year	(4,298,425)	(3,178,449)	(1,933,505)	(2,030,690)
As at 31st December	116,683,961	103,803,130	88,101,994	75,612,662



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33 DEFINED BENEFIT OBLIGATION (continued)

33.1 Following amounts are recognized in profit or loss and other comprehensive income during the year in respect of retirement benefit obligation.

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
<i>Amount recognized in profit or loss</i>				
Current service cost	7,068,449	6,407,675	4,933,171	4,192,838
Interest cost	4,774,944	4,087,440	3,478,182	2,923,572
	11,843,393	10,495,115	8,411,353	7,116,410
<i>Amount recognized in other comprehensive income</i>				
Deficit for the year	5,335,863	7,629,070	6,011,484	6,971,023
	5,335,863	7,629,070	6,011,484	6,971,023

33.2 The Group / Company have engaged a qualified actuary to estimate the retirement benefit obligation. The projected unit credit method is used to determine the present value of the defined benefit obligation. Key assumptions used in the calculation are as follows:

	Group		Company	
	2025	2024	2025	2024
Expected salary increment	2% - 4%	2% - 5%	4.00%	4.00%
Discount rate	4.60%	4.60%	4.60%	4.60%
Staff turnover factor	5% - 21%	10% - 19%	11.00%	11.00%

33.3 Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

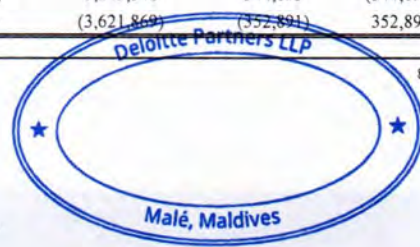
The sensitivity of the total comprehensive income and statement of financial position is the effect of the assumed changes in discount rate, expected salary increment rate and staff turnover rate to total comprehensive income and defined benefit obligation for the year.

As at 31st December 2025

	Sensitivity effect on			
	Total comprehensive income increase / (reduction)	Defined benefit increase / (reduction) in the liability	Total comprehensive income increase / (reduction)	Defined benefit increase / (reduction) in the liability
	MVR	MVR	MVR	MVR
	Group		Company	
Increase in discount rate (1%)	6,750,817	(6,750,817)	5,463,016	(5,463,016)
Decrease in discount rate (1%)	(7,664,532)	7,664,532	(6,228,020)	6,228,020
Increase in expected salary increment rate (1%)	(6,794,008)	6,794,008	(5,538,153)	5,538,153
Decrease in expected salary increment rate (1%)	6,081,488	(6,081,488)	4,936,894	(4,936,894)
Increase in staff turnover rate (1%)	552,394	(552,394)	480,885	(480,885)
Decrease in staff turnover rate (1%)	(586,565)	586,565	(507,769)	507,769

As at 31st December 2024

	Sensitivity effect on			
	Total comprehensive income increase / (reduction)	Defined benefit increase / (reduction) in the liability	Total comprehensive income increase / (reduction)	Defined benefit increase / (reduction) in the liability
	MVR	MVR	MVR	MVR
	Group		Company	
Increase in discount rate (1%)	1,300,076	(1,300,076)	4,701,728	(4,701,728)
Decrease in discount rate (1%)	(2,792,124)	10,166,322	(5,365,043)	5,365,043
Increase in expected salary increment rate (1%)	(2,037,699)	2,037,699	(4,778,970)	4,778,970
Decrease in expected salary increment rate (1%)	836,087	(836,087)	4,256,327	(4,256,327)
Increase in staff turnover rate (1%)	(3,645,348)	3,645,348	344,193	(344,193)
Decrease in staff turnover rate (1%)	3,621,869	(3,621,869)	(352,891)	352,891



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33 DEFINED BENEFIT OBLIGATION (CONTINUED)

33.3 Sensitivity analysis (continued)

As at 31 st December 2025						
Future expected working life	Group			Company		
	No of employees	Average future expected working life	Defined benefit obligation	No of employees	Average future expected working life	Defined benefit obligation
Within the next 12 months	36	0.50 - 0.58	1,887,347	15	0.51	1,278,689
Between 1-2years	23	1.23 - 1.54	2,152,605	11	1.41	1,608,627
Between 2-5 years	588	3.37 - 4.84	32,937,031	50	3.75	8,017,857
Between 5-10 years	2,886	5.19 - 9.37	79,706,980	2,429	8.42	77,196,821
Total	3,533		116,683,962	2,505		88,101,994

As at 31 st December 2024						
Future expected working life	Group			Company		
	No of employees	Average future expected working life	Defined benefit obligation	No of employees	Average future expected working life	Defined benefit obligation
Within the next 12 months	39	0.50 - 0.58	2,691,401	17	0.58	1,672,009
Between 1-2years	18	1.23 - 1.54	1,564,430	6	1.54	1,050,686
Between 2-5 years	193	3.37 - 4.84	14,853,792	53	3.59	7,222,113
Between 5-10 years	3,159	5.19 - 9.37	84,693,508	2,349	8.43	65,667,854
Total	3,409		103,803,130	2,425		75,612,662

34 TRADE AND OTHER PAYABLES

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
Trade payables	2,939,060,906	2,856,134,113	2,616,097,260	2,602,021,754
Accrued expenses	88,190,022	73,307,163	62,244,432	52,910,995
Dividend payable	514,065,057	440,678,613	514,065,057	440,678,613
Other payable	124,254,992	139,038,936	87,202,778	79,384,036
	3,665,570,976	3,509,158,825	3,279,609,527	3,174,995,398

34.1 For the year 2025, trade payables include payable to fuel vendors (mainly Vitol Asia) amounting MVR 24,442,189 which carries an interest of 2.15% plus SOFR for any additional period in excess of 31 days to and including 150 days. 2.95% plus SOFR for any additional period from 151 days up to and including 180 days. Vitol Bunkers had balance of MVR 1,961,525,695/- as at 31st December 2024.

For the year 2025, trade payables include payable to fuel vendors (mainly OQ Trading Limited) amounting MVR 1,798,666,649 which carries an interest of 2.2% plus SOFR for any additional period in excess of 31 days to and including 90 days, 2.9% (2024: 3.1%) plus SOFR for any additional period from 91 days up to and including 180 days. As at 31st December 2024, OQ Trading Limited had balance of MVR 255,586/-

34.2 Other payables of the Company mainly includes advances received from customers amounting to MVR 16,043,520 (2024: MVR 25,845,461) and Retention payable amounting to MVR 12,081,300 (2024: MVR 9,970,523).

35 DEFERRED INCOME

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
As at 1st January	41,150,350	44,828,528	49,590,528	53,913,945
Received during the year	8,205,253	6,302,903	-	-
Recognized during the year	(9,477,514)	(9,981,079)	(4,323,414)	(4,323,414)
	39,878,089	41,150,350	45,267,113	49,590,528

Analysis of deferred income				
	2025	2024	2025	2024
Realize within one year	9,464,981	9,273,484	4,323,414	4,323,414
Realize after one year	30,413,107	31,876,865	40,943,699	45,267,113
	39,878,088	41,150,350	45,267,113	49,590,528



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35 DEFERRED INCOME (CONTINUED)

35.1 Deferred revenues relate to the rent received in advance from tenants and registration fees received from customers. Rent advances are initially recognized in liabilities as deferred income and credited to profit or loss as revenue over the period to which rent advances are related to. On receipt of the registration fees, they are included in liabilities as deferred revenue and are credited to profit or loss as revenue on a straight line basis over 5 years.

36 INSURANCE CONTRACTS

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
Insurance contract liabilities (Note 26.2)	416,700,244	520,105,451	-	-
Total insurance liabilities, gross	416,700,244	520,105,451	-	-

37 REINSURANCE CONTRACTS

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
Reinsurance contract liabilities (Note 26.2)	17,115,383	4,484,859	-	-
Total reinsurance liabilities	17,115,383	4,484,859	-	-

38 CURRENT TAX LIABILITIES

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
As at 1st January	59,076,908	186,344,693	52,388,192	123,908,263
Provision for the year (Note 11)	196,518,513	198,769,087	154,561,805	152,797,481
Tax paid during the year	(168,219,818)	(326,036,873)	(128,769,833)	(224,317,553)
Adjustment in respect of prior years (Note 11)	9,632	-	-	-
As at 31st December	87,385,235	59,076,908	78,180,164	52,388,192

39 AMOUNTS DUE TO RELATED PARTIES

	Relationship	Group		Company	
		31/12/2025	31/12/2024	31/12/2025	31/12/2024
		MVR	MVR	MVR	MVR
Maldive Gas Private Limited	Subsidiary	-	-	2,851,803	5,992,812
Fuel Supplies Maldives Private Limited	Subsidiary	-	-	1,159,775	1,033,005
Allied Insurance Company of the Maldives Private Limited	Subsidiary	-	-	178,327,633	129,897,532
Maldives Industrials Fisheries Company Limited	Affiliate	1,991,408	2,124,317	1,991,408	2,124,317
Maldives State Shipping Company Private Limited	Subsidiary	-	-	3,732,692	37,252,376
Raysut Maldives Cement Private Limited	Associate	53,068,166	32,361,284	53,068,166	32,361,284
Maldives Structural Product Private Limited	Joint venture	17,759,754	30,346,734	17,759,754	30,346,734
Ministry of Housing and Infrastructure	Affiliate	21,446,882	18,638,882	21,446,882	18,638,882
Fenaka Corporation Limited	Affiliate	13,882,747	4,522,666	12,567,021	3,439,524
Ministry of Finance and Public Enterprises	Majority shareholder	128,057,896	128,057,896	128,057,896	128,057,896
Housing Development Corporation Limited	Affiliate	13,032,540	13,004,229	13,032,540	13,004,229
Rainbow Enterprises Private Limited	Affiliate	-	56,290	-	56,290
State Electric Company Limited (STELCO)	Affiliate	2,600,504	2,269,163	2,584,277	2,269,163
Maldives Airport Company Limited	Affiliate	2,203,878	21,520,434	2,203,878	21,520,434
Indira Gandhi Memorial Hospital	Affiliate	575,183	504,593	575,183	504,593
Aasandha Private Limited	Affiliate	-	3,299,517	-	3,299,517
Addu International Airport Private Limited	Affiliate	2,886,800	-	2,886,800	-
Maldives Transport and contracting company	Affiliate	2,736,053	2,935,055	2,736,053	2,935,055
Island Aviation Service Ltd	Affiliate	2,561,511	1,083,232	2,508,925	1,083,232
Tree Top Health Pvt Ltd	Affiliate	781,932	46,429	781,932	46,429
Maldives Pension Administration	Affiliate	3,697,947	1,804,068	3,697,947	1,804,068
Hulhumale Hospital	Affiliate	-	16,500	-	16,500
Maldives Road Development Corporation	Affiliate	33,485	31,941	-	-
National Disaster Management Authority	Affiliate	45,036,502	45,036,502	45,036,502	45,036,502
Ministry of Health	Affiliate	1,375,459	1,375,459	1,375,459	1,375,459
Other Government entities	Affiliate	107,622,538	11,488,093	107,477,134	10,607,762
		421,351,185	320,523,283	605,859,657	492,703,594

39.1 The amount due to related parties are unsecured, interest free, and have no fixed repayment period. Accordingly, these amounts have been determined to be payable on demand and classified as current liabilities.



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40 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

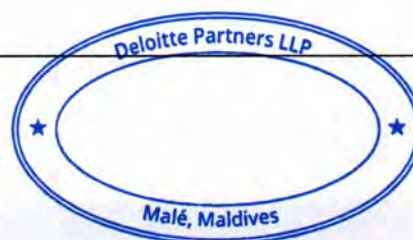
In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. Net debt is calculated as total borrowings (including borrowings, trade and other payables, amounts due to related parties, bank overdrafts and lease liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

	Group		Company		
	31/12/2025 MVR	31/12/2024 MVR	31/12/2025 MVR	31/12/2024 MVR	
Loans and borrowings (Note 31)	4,235,940,086	3,897,036,432	4,158,891,141	3,912,051,849	
Trade and other payables (Note 34)	3,665,570,976	3,509,158,825	3,279,609,527	3,174,995,398	
Amounts due to related parties (Note 39)	421,351,185	320,523,283	605,859,657	492,703,594	
Bank overdrafts (Note 28)	105,328,244	441,380,246	105,328,244	441,380,246	
Lease liabilities (Note 32)	379,835,064	466,633,362	270,356,193	377,772,592	
Less: Cash and cash equivalent (Note 28)	(1,981,173,884)	(1,085,399,985)	(1,444,399,614)	(680,503,274)	
Net debt	6,826,851,671	7,549,332,163	6,975,645,147	7,718,400,405	
Total equity	6,623,063,987	5,943,567,029	5,624,096,868	4,955,909,457	
Total capital employed	13,449,915,658	13,492,899,192	12,599,742,015	12,674,309,862	
Gearing		51%	56%	55%	61%

The decrease in gearing ratio of the Company during 2025 is primarily due to increase in cash and cash equivalents and decreased overdraft facility balances as at the year ended 2025.

Group	Loans and borrowings	Payables	Leases	Sub-total	Cash / bank overdraft	Total
Net debt as at 1st January 2024	3,761,031,165	3,691,559,846	294,512,797	7,747,103,807	(1,591,613,306)	6,155,490,503
Financing cash flows	136,005,267	-	(124,739,188)	11,266,078	4,772,556	16,038,634
Working capital changes	-	69,754,281	-	69,754,281	(132,127,355)	(62,373,073)
Investments	-	-	-	-	1,341,225,676	1,341,225,676
New leases	-	-	225,306,661	225,306,661	(225,306,661)	-
Lease modification	-	-	80,092,541	80,092,541	-	80,092,541
Lease disposals	-	-	(8,539,449)	(8,539,449)	8,539,449	-
Dividend	-	75,714,165	-	75,714,165	(16,038,635)	59,675,530
Interest expense	-	393,434,301	(33,471,464)	359,962,837	-	359,962,837
Interest payments (presented as operating cash flows)	-	(400,780,485)	33,471,464	(367,309,021)	(33,471,464)	(400,780,485)
Net debt as at 31st December 2024	3,897,036,432	3,829,682,108	466,633,362	8,193,351,901	(644,019,740)	7,549,332,163
Financing cash flows	338,903,654	-	(119,499,764)	219,403,890	(202,377,432)	17,026,457
Working capital changes	-	215,787,289	-	215,787,289	(977,386,583)	(761,599,294)
Investments	-	-	-	-	30,340,456	30,340,456
New leases	-	-	58,583,599	58,583,599	(58,583,599)	-
Lease modification	-	-	9,902,605	9,902,605	-	9,902,605
Lease disposals	-	-	(35,784,738)	(35,784,738)	35,784,738	-
Dividend	-	73,386,444	-	73,386,444	(17,026,357)	56,360,087
Interest expense	-	300,128,274	(42,577,122)	257,551,152	-	257,551,152
Interest payments (presented as operating cash flows)	-	(332,061,954)	42,577,122	(289,484,832)	(42,577,122)	(332,061,955)
Net debt as at 31st December 2025	4,235,940,086	4,086,922,161	379,835,064	8,702,697,310	(1,875,845,639)	6,826,851,671



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40 CAPITAL MANAGEMENT (continued)

Company	Loans and borrowings	Payables	Leases	Sub-total	Cash / bank overdraft	Total
Net debt as at 1st January 2024	3,728,499,019	3,550,268,386	201,192,584	7,479,959,988	(1,340,086,575)	6,139,873,413
Financing cash flows	183,552,830	-	(111,043,624)	72,509,206	(58,070,576)	14,438,630
Working capital changes	-	42,482,210	-	42,482,210	(37,633,137)	4,849,073
Investments	-	-	-	-	1,445,264,240	1,445,264,241
New leases	-	-	215,806,745	215,806,745	(215,806,745)	-
Lease modification	-	-	80,356,336	80,356,336	-	80,356,336
Lease disposals	-	-	(8,539,449)	(8,539,449)	8,539,449	-
Dividend	-	75,714,165	-	75,714,165	(14,438,635)	61,275,530
Interest expense	-	386,470,910	(26,891,049)	359,579,861	-	359,579,861
Interest payments (presented as operating cash flows)	-	(387,236,679)	26,891,049	(360,345,630)	(26,891,049)	(387,236,679)
Net debt as at 31st December 2024	3,912,051,849	3,667,698,992	377,772,592	7,957,523,433	(239,123,028)	7,718,400,404
Financing cash flows	246,839,292	-	(101,328,273)	145,511,018	(128,744,663)	16,766,355
Working capital changes	-	163,269,368	-	163,269,368	(889,084,095)	(725,814,727)
Investments	-	-	-	-	(53,823,857)	(53,823,857)
New leases	-	-	17,785,047	17,785,047	(17,785,047)	-
Lease modification	-	-	11,911,565	11,911,565	-	11,911,565
Lease disposals	-	-	(35,784,738)	(35,784,738)	35,784,738	-
Dividend	-	73,386,444	-	73,386,444	(16,766,356)	56,620,089
Interest expense	-	297,364,581	(29,529,062)	267,835,519	-	267,835,519
Interest payments (presented as operating cash flows)	-	(316,250,201)	29,529,062	(286,721,140)	(29,529,062)	(316,250,201)
Net debt as at 31st December 2025	4,158,891,141	3,885,469,184	270,356,193	8,314,716,515	(1,339,071,370)	6,975,645,147

41 COMMITMENTS

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR

41.1 Capital commitments

Capital expenditure contracted as of the reporting date but not yet incurred

623,602,404	123,097,959	582,824,174	123,097,959
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There were no other material capital commitments outstanding at the reporting date which require disclosure in the financial statements.

42 CONTINGENT LIABILITY

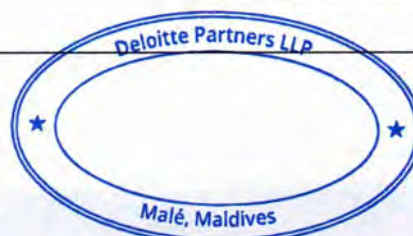
(i) State Trading Organization PLC has issued following corporate guarantees for the facilities obtained by its subsidiaries and jointly controlled company.

In favor of	Purpose	Issued to	31/12/2025 MVR	31/12/2024 MVR
Maldives Structural Products Private Limited	Overdraft	Bank of Maldives	1,326,936	3,855,000
Maldives Structural Products Private Limited	Letter of credit	Bank of Maldives	12,124,930	15,420,000
Maldives Structural Products Private Limited	Loan facility	Bank of Maldives	-	19,275,000
Maldiv Gas Private Limited	Loan facility	Allied Insurance	-	61,680,000
			13,451,866	100,230,000

There were no other material contingent liabilities which require disclosure in the consolidated and separate financial statements as at the reporting date other than those disclosed above.

(ii) Letter of credits issued by the banks to the Company as at 31st December:

Issued by	31/12/2025 MVR	31/12/2024 MVR
Bank of Maldives	11,525,967	-
Habib Bank	44,827,050	-
State Bank of India	2,165,817	30,222,436
	58,518,835	30,222,436



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

AS AT 31ST DECEMBER 2025

Group	Carrying amount				Total	Fair value		
	FVTPL	FVOCI	Amortized Cost	Other financial liabilities		Level 1	Level 2	Level 3
	MVR	MVR	MVR	MVR		MVR	MVR	MVR
Financial assets measured at fair value								
Investment in equity instruments	-	95,178,300	-	-	95,178,300	92,937,500	-	2,240,800
	-	95,178,300	-	-	95,178,300	92,937,500	-	2,240,800
Financial assets not measured at fair value								
Other financial investments	-	-	2,052,302,280	-	2,052,302,280	-	-	-
Trade and other receivables	-	-	764,548,515	-	764,548,515	-	-	-
Loans receivables	-	-	433,285,799	-	433,285,799	-	-	-
Amounts due from related parties	-	-	4,555,191,382	-	4,555,191,382	-	-	-
Reinsurance contracts	-	-	174,810,741	-	174,810,741	-	-	-
Cash and cash equivalents	-	-	1,981,173,884	-	1,981,173,884	-	-	-
	-	-	9,961,312,601	-	9,961,312,601	-	-	-
Financial liabilities not measured at fair value								
Bank overdraft	-	-	105,328,244	-	105,328,244	-	-	-
Loans and borrowings	-	-	4,235,940,086	-	4,235,940,086	-	-	-
Lease liabilities	-	-	379,835,064	-	379,835,064	-	-	-
Amounts due to related parties	-	-	421,351,185	-	421,351,185	-	-	-
Insurance contracts	-	-	416,700,244	-	416,700,244	-	-	-
Trade and other payables	-	-	3,539,272,970	-	3,539,272,970	-	-	-
	-	-	9,098,427,793	-	9,098,427,793	-	-	-

AS AT 31ST DECEMBER 2024

Group	Carrying amount				Total	Fair value		
	FVTPL	FVOCI	Amortized Cost	Other financial liabilities		Level 1	Level 2	Level 3
	MVR	MVR	MVR	MVR		MVR	MVR	MVR
Financial assets measured at fair value								
Investment in equity instruments	-	107,865,800	-	-	107,865,800	105,625,000	-	2,240,800
	-	107,865,800	-	-	107,865,800	105,625,000	-	2,240,800
Financial assets not measured at fair value								
Other financial investments	-	-	2,579,093,478	-	2,579,093,478	-	-	-
Trade and other receivable	-	-	809,426,670	-	809,426,670	-	-	-
Loans receivables	-	-	427,193,555	-	427,193,555	-	-	-
Amounts due from related parties	-	-	4,200,908,732	-	4,200,908,732	-	-	-
Reinsurance contracts	-	-	209,531,645	-	209,531,645	-	-	-
Cash and cash equivalents	-	-	1,085,399,985	-	1,085,399,985	-	-	-
	-	-	9,311,554,065	-	9,311,554,066	-	-	-
Financial liabilities not measured at fair value								
Bank overdraft	-	-	441,380,246	-	441,380,246	-	-	-
Loans and borrowings	-	-	3,897,036,432	-	3,897,036,432	-	-	-
Lease liabilities	-	-	466,633,362	-	466,633,362	-	-	-
Amounts due to related parties	-	-	320,523,283	-	320,523,283	-	-	-
Insurance contracts	-	-	520,105,451	-	520,105,451	-	-	-
Trade and other payables	-	-	3,429,400,698	-	3,429,400,698	-	-	-
	-	-	9,075,079,472	-	9,075,079,472	-	-	-

43.A.1 The Group has not disclosed the fair values for financial instruments when their carrying amounts are a reasonable approximation of fair value.

43.A.2 The fair value of the investment in equity instruments is based on the marketable shares and the net assets amounts as at year end of related companies.

Below is the hierarchy for the fair value instruments.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

A. Accounting classifications and fair values (Continued)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

AS AT 31ST DECEMBER
2025

Company	Carrying amount					Fair value			
	FVTP L MVR	FVOCI MVR	Amortized Cost MVR	Other financial assets MVR	Other financial liabilities MVR	Total MVR	Level 1 MVR	Level 2 MVR	Level 3 MVR
Financial assets measured at fair value									
Investment in equity instruments	-	2,240,800	-	-	-	2,240,800	-	-	2,240,800
	-	2,240,800	-	-	-	2,240,800	-	-	2,240,800
Financial assets not measured at fair value									
Other financial investments	-	-	1,764,410,883	-	-	1,764,410,883	-	-	-
Trade and other receivables	-	-	228,586,188	-	-	228,586,188	-	-	-
Loans receivables	-	-	284,186,056	-	-	284,186,056	-	-	-
Amounts due from related parties	-	-	5,341,867,552	-	-	5,341,867,552	-	-	-
Cash and cash equivalents	-	-	1,444,399,614	-	-	1,444,399,614	-	-	-
	-	-	9,063,450,293	-	-	9,063,450,293	-	-	-
Financial liabilities not measured at fair value									
Bank overdraft	-	-	105,328,244	-	-	105,328,244	-	-	-
Loans and borrowings	-	-	4,158,891,141	-	-	4,158,891,141	-	-	-
Lease liabilities	-	-	377,772,592	-	-	377,772,592	-	-	-
Amounts due to related parties	-	-	492,703,594	-	-	492,703,594	-	-	-
Trade and other payables	-	-	3,034,941,585	-	-	3,034,941,585	-	-	-
	-	-	8,169,637,155	-	-	8,169,637,155	-	-	-

AS AT 31ST DECEMBER
2024

Company	Carrying amount					Fair value			
	FVTP L MVR	FVOCI MVR	Amortized Cost MVR	Other financial assets MVR	Other financial liabilities MVR	Total MVR	Level 1 MVR	Level 2 MVR	Level 3 MVR
Financial assets measured at fair value									
Investment in equity instruments	-	2,240,800	-	-	-	2,240,800	-	-	2,240,800
	-	2,240,800	-	-	-	2,240,800	-	-	2,240,800
Financial assets not measured at fair value									
Other financial investments	-	-	2,275,294,159	-	-	2,275,294,159	-	-	-
Trade and other receivables	-	-	223,288,361	-	-	223,288,361	-	-	-
Loans receivables	-	-	336,133,137	-	-	336,133,137	-	-	-
Amounts due from related parties	-	-	4,897,895,748	-	-	4,897,895,748	-	-	-
Cash and cash equivalents	-	-	680,503,274	-	-	680,503,274	-	-	-
	-	-	8,413,114,678	-	-	8,413,114,678	-	-	-
Financial liabilities not measured at fair value									
Bank overdraft	-	-	441,380,246	-	-	441,380,246	-	-	-
Loans and borrowings	-	-	3,912,051,849	-	-	3,912,051,849	-	-	-
Lease liabilities	-	-	377,772,592	-	-	377,772,592	-	-	-
Amounts due to related parties	-	-	492,703,594	-	-	492,703,594	-	-	-
Trade and other payables	-	-	3,048,697,392	-	-	3,048,697,392	-	-	-
	-	-	8,272,605,672	-	-	8,272,605,672	-	-	-

43.A.3 The Company has not disclosed the fair values of financial instruments when their carrying amounts are a reasonable approximation of fair value.

43.A.4 The fair value of the investment in equity instruments is based on the net assets amounts as at year end of related companies for unlisted companies. For listed companies shares for fair value have been determined by Level 1 stock exchange quoted prices.



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

B. Measurement of fair value

(i) Valuation techniques and significant unobservable input

The following tables show the valuation techniques used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs used.

Financial Instruments measured at fair value

Type	Valuation techniques	Significant unobservable input	Quantitative Information	Inter relationship between significant unobservable inputs and fair value measurement
Equity investments	Discounted cashflow method	Discount Rate, Future Cash Flows	Discount rate 10%	Changes in the discount rate can significantly affect the fair value measurement. Higher discount rates result in lower fair values, while lower discount rates result in higher fair values.

C. Financial risk management

(i) Overview

The Group / the Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's / the Company's objectives, policies and processes for measuring and managing risk, and the Group's / the Company's management of capital. Further, quantitative disclosures are included throughout these group's / the Company's financial statements.

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's / the Company's risk management framework.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group / the Company if a customer or counterparty to a financial instruments fails to meet its contractual obligations, and arises principally from the Group's / the Company's receivables from customers, investment in debt securities and deposits with banks.

To measure the expected credit losses, cash and cash equivalent, trade, other receivables and related party receivables have been grouped based on shared credit risk characteristics and the days past due.

Impairment

The Group/ Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Credit quality

The credit quality of cash and cash equivalent, trade, other receivables and related party receivables that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group Carrying amount		Company Carrying amount	
	31/12/2025 MVR	31/12/2024 MVR	31/12/2025 MVR	31/12/2024 MVR
Trade and other receivables (Net)	764,548,515	809,426,670	228,586,188	223,288,361
Loans receivable	433,285,799	427,193,555	284,186,056	336,133,137
Amounts due from related party (Net)	4,555,191,382	4,200,908,732	5,341,867,552	4,897,895,748
Reinsurance contracts	174,810,741	209,531,645	-	-
Other financial investments	2,052,302,280	2,579,093,478	1,764,410,883	2,275,294,159
Balances with banks and short term deposits	1,981,173,884	1,085,399,985	1,444,399,614	680,503,274
	9,961,312,601	9,311,554,066	9,063,450,293	8,413,114,679

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk geographically.



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (Continued)

(iii) Credit risk (Continued)

Trade and other receivables

Expected credit loss assessment under IFRS 9

The Group/ Company uses an allowance matrix to measure the ECLs of trade, other receivables and related party receivables. Loss rates are based on actual credit loss experience over past years. These rates are multiplied by scalar factors to reflect difference between economic condition during the period over which historical data has been collected, current condition and company's view of economic condition of expected lives of the receivables.

Scalar factors are based on actual and forecast GDP growth rates and normalized average GDP use for ECL assessment.

Forecasts of the economic variables (the "base economic scenario") are obtained by STO PLC from the report available in the IMF website "World Economic Outlook Database, October 2025".

Economic variable assumptions

Forecasted GDP growth rates

The forecasted GDP growth rates considered to determine the weightages along with weightages for each case are as follows:

Cases	2025		2024	
	GDP rate	Weightages	GDP rate	Weightages
Best case	5.70%	11%	4.74%	11%
Base case	4.70%	68%	4.74%	68%
Worst case	6.70%	21%	4.74%	21%

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The group of the company consider these forecasts to represent their best estimate of the possible outcomes.

Other forward-looking considerations not otherwise incorporated, such as the impact of any regulatory or legislative, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on an annual basis.

Set out below are the changes to the ECL as at 31 December 2025 that would result from reasonably possible changes in the parameter from the actual assumption used in group's / company's economic variable assumption.

Group

	2025		2024	
	-1% MVR	+1% MVR	-1% MVR	+1% MVR
Increase / (decrease) in expected credit loss allowance for trade receivables, other receivables and amounts due from related parties	528,463	419,529	420,733	496,068

Company

	2025		2024	
	-1% MVR	+1% MVR	-1% MVR	+1% MVR
Increase / (decrease) in expected credit loss allowance for trade receivables, other receivables and amounts due from related parties	7,754	2,838	196,394	(195,549)

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a member to engage in a repayment plan with the Corporation, and failure to make contractual payments.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (Continued)

(iii) Credit risk (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade, other receivables and related party receivables as at 31st December.

31 st December 2025	Group			Company		
	Weighted average loss rate	Gross carrying amount MVR	Loss allowance MVR	Weighted average loss rate	Gross carrying amount MVR	Loss allowance MVR
Not past due	0.1%	720,743,499	1,068,786	0.0%	307,765,881	-
1-30 days past due	1.1%	1,216,685,421	13,370,972	0.9%	1,353,886,943	12,247,148
31-90 days past due	1.4%	836,131,362	11,311,289	0.6%	1,286,264,300	7,350,872
91 - 180 days past due	2.1%	865,403,600	18,575,737	0.9%	1,315,648,374	12,142,980
181-365 days past due	3.9%	1,152,134,521	45,336,866	1.6%	1,482,898,029	24,326,780
Above 365 days past due	47.4%	3,174,978,267	1,504,214,156	57.0%	1,683,349,342	960,279,475
		<u>7,966,076,671</u>	<u>1,593,877,805</u>		<u>7,429,812,869</u>	<u>1,016,347,256</u>

31 st December 2024	Group			Company		
	Weighted average loss rate	Gross carrying amount MVR	Loss allowance MVR	Weighted average loss rate	Gross carrying amount MVR	Loss allowance MVR
Not past due	0.1%	581,910,452	738,943	0.0%	322,714,507	-
1-30 days past due	0.6%	1,228,551,299	7,467,456	0.6%	1,063,905,681	6,178,610
31-90 days past due	2.4%	856,305,870	20,690,693	1.0%	1,537,521,121	14,913,117
91 - 180 days past due	4.7%	687,062,688	32,195,656	1.3%	1,619,771,140	20,985,062
181-365 days past due	4.7%	1,063,623,375	50,184,921	2.8%	816,751,312	23,082,186
Above 365 days past due	45.7%	3,002,504,933	1,372,241,857	61.7%	1,524,665,115	940,889,352
		<u>7,419,958,617</u>	<u>1,483,519,527</u>		<u>6,885,328,877</u>	<u>1,006,048,328</u>

Gross carrying amount and loss allowance comprise the trade, other receivables, loans receivable and related party receivables.

The Company believes that the unimpaired amounts are still collectible, based on historic payment behavior. Based on historic default rates, the Company believes that, apart from the above, no provision for impairment is necessary in respect of trade, other and related party receivables.

Other financial investments

The Group / the Company limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a good credit rating.

The Group's exposure to various risks associated with financial instruments is discussed in note 27. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets.

Guarantees

The Group / the Company policy is to provide financial guarantees only to subsidiaries, joint venture and associates. As at 31st December 2025, the Company has issued corporate guarantees to Bank of Maldives PLC for the facilities obtained by Maldives Structural Products Private Limited and to Allied Insurance Company of the Maldives for the facility obtained by Maldivian Gas Private Limited. The group's maximum exposure in this respect is the maximum amount the group could have to pay if the guarantee is called on. As at 31st December 2025, no loss allowance was recognised in profit or loss.



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (Continued)

(iv) Liquidity risk

Liquidity risk is the risk that the Group / the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's / the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's / the Company's reputation.

The following are the contractual maturities stated at the undiscounted cashflows of financial liabilities as at the reporting date.

31st December 2025	Carrying amount MVR	Contractual Cashflow MVR	0-12 months MVR	1-5 years MVR	More than 5 years MVR
Group					
Financial liabilities (Non- derivative)					
Trade and other payables	3,539,272,970	3,539,272,970	3,539,272,970	-	-
Loans and borrowings	4,235,940,086	4,290,631,018	2,232,929,679	2,057,701,339	-
Amounts due to related parties	421,351,185	421,351,185	421,351,185	-	-
Lease Liabilities	379,835,064	625,254,733	167,932,257	191,131,007	266,191,469
Insurance contracts	416,700,244	416,700,244	416,700,244	-	-
Bank overdrafts	105,328,244	105,328,244	105,328,244	-	-
Total	9,098,427,793	9,398,538,395	6,883,514,579	2,248,832,347	266,191,469

31st December 2024	Carrying amount MVR	Contractual Cashflow MVR	0-12 months MVR	1-5 years MVR	More than 5 years MVR
Group					
Financial liabilities (Non- derivative)					
Trade and other payables	3,429,400,698	3,429,400,698	3,429,400,698	-	-
Loans and borrowings	3,897,036,432	3,917,918,583	3,059,108,677	858,809,906	-
Amounts due to related parties	320,523,283	320,523,283	320,523,283	-	-
Lease liabilities	466,633,362	653,810,637	160,443,516	219,236,130	274,130,992
Insurance contracts	520,105,451	520,105,451	520,105,451	-	-
Bank overdrafts	441,380,246	441,380,246	441,380,246	-	-
Total	9,075,079,472	9,283,138,899	7,930,961,871	1,078,046,036	274,130,992

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

31st December 2025	Carrying amount MVR	Contractual Cashflow MVR	0-12 months MVR	1-5 years MVR	More than 5 years MVR
Company					
Financial liabilities (Non- derivative)					
Trade and other payables	3,034,941,585	3,034,941,585	3,034,941,585	-	-
Loans and borrowings	3,912,051,849	4,444,108,776	2,264,476,762	2,179,632,014	-
Lease liabilities	377,772,592	480,039,601	145,839,226	139,460,458	194,739,917
Amounts due to related parties	492,703,594	492,703,594	492,703,594	-	-
Bank overdrafts	441,380,246	441,380,246	441,380,246	-	-
Total	8,258,849,865	8,893,173,802	6,379,341,413	2,319,092,472	194,739,917

31st December 2024	Carrying amount MVR	Contractual Cashflow MVR	0-12 months MVR	1-5 years MVR	More than 5 years MVR
Company					
Financial liabilities (Non- Derivative)					
Trade and other payables	3,048,697,392	3,034,941,585	3,034,941,585	-	-
Loans and borrowings	3,912,051,849	3,932,934,000	3,117,095,831	815,838,169	-
Lease liabilities	377,772,592	548,872,626	145,839,226	193,204,667	209,828,732
Amounts due to related parties	492,703,594	492,703,594	492,703,594	-	-
Bank overdrafts	441,380,246	441,380,246	441,380,246	-	-
Total	8,272,605,672	8,450,832,050	7,231,960,481	1,009,042,837	209,828,732



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (Continued)

(v) Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates and interest rates that affect the Group's / the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Interest rate risk

Profile

At the reporting date, the interest rate profile of the Group's / the Company's interest-bearing financial instruments were:

	Group		Company	
	Carrying amount		Carrying amount	
	2025	2024	2025	2024
	MVR	MVR	MVR	MVR
Variable rate instruments				
Financial assets	-	-	-	-
Financial liabilities	(1,799,742,635)	(2,291,754,811)	(1,799,742,635)	(2,291,754,811)
	(1,799,742,635)	(2,291,754,811)	(1,799,742,635)	(2,291,754,811)
Fixed rate instruments				
Financial assets	805,826,682	1,114,780,967	805,826,682	1,114,780,967
Financial liabilities	(4,341,268,330)	(4,338,416,678)	(4,264,219,385)	(4,353,432,095)
	(3,535,441,648)	(3,223,635,711)	(3,458,392,703)	(3,238,651,128)

The interest rate exposure of the borrowing of the Group's / Company's is as follows:

	Group		Company	
	Carrying amount		Carrying amount	
	2025	2024	2025	2024
	MVR	MVR	MVR	MVR
- At variable rate	1,515,683,068	2,633,971,892	1,515,683,068	2,633,971,892
- At fixed rate	120,308,854	207,680,540	102,968,653	138,616,133
	1,635,991,921	2,841,652,432	1,618,651,721	2,772,588,024

Cash flow sensitivity analysis for variable - rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

GROUP	Profit or loss		Equity net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 st December 2025				
Variable rate instruments	(17,997,426)	17,997,426	(15,297,812)	15,297,812
31 st December 2024				
Variable rate instruments	(22,917,548)	22,917,548	(19,479,916)	19,479,916
COMPANY				
31 st December 2025				
Variable rate instruments	(17,997,426)	17,997,426	(15,297,812)	15,297,812
31 st December 2024				
Variable rate instruments	(22,917,548)	22,917,548	(19,479,916)	19,479,916

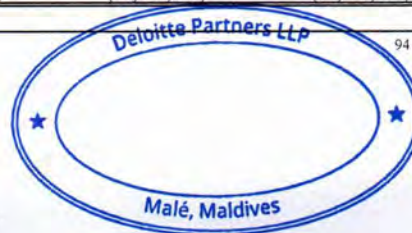
(a) Currency risk

Exposure to currency risk

Group

The Group's exposure to foreign currency risk in equivalent Maldives Rufiyaa was as follows:

	31/12/2025		
	US\$	Euro	SGD
Cash and cash equivalents	620,125,101	2,396	-
Trade, amount due from related parties and other receivables	1,774,212,288	208,606	889,383
Reinsurance contracts	(13,153,386)	-	-
Trade, amount due to related parties and other payables	(2,196,048,831)	(13,499,951)	(15,820,229)
Loans and borrowings	(4,235,940,086)	-	-
Bank overdrafts	(105,031,140)	-	-
Net currency exposure	(4,155,836,053)	(13,288,949)	(14,930,845)



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (Continued)

(v) Market risk (Continued)

Exposure to currency risk (Continued)

Group

The Group's exposure to foreign currency risk was as follows:

	31/12/2024		
	US\$	Euro	SGD
Cash and cash equivalents	618,643,923	7,506	-
Trade, amount due from related parties and other receivables	883,673,724	226,099	862,246
Trade, amount due to related parties and other payables	(2,621,333,151)	(10,430,790)	(14,716,938)
Loans and borrowings	(3,897,036,432)	-	(2,911)
Bank overdrafts	(442,580,246)	-	-
Net currency exposure	(5,445,661,391)	(10,197,185)	(13,857,604)

Company

The Company's exposure to foreign currency risk was as follows:

	31/12/2025		
	US\$	Euro	SGD
Cash and cash equivalents	615,425,991	2,396	-
Trade, amount due from related parties and other receivables	1,721,473,432	208,606	889,383
Trade, amount due to related parties and other payables	(2,201,081,426)	(13,499,951)	(15,820,229)
Loans and borrowings	(4,090,771,431)	-	-
Bank overdrafts	(105,328,244)	-	-
Net currency exposure	(4,060,281,678)	(13,288,949)	(14,930,845)

Company

The Company's exposure to foreign currency risk was as follows:

	31/12/2024		
	US\$	Euro	SGD
Cash and cash equivalents	615,425,991	2,396	-
Trade, amount due from related parties and other receivables	825,197,603	226,099	862,246
Trade, amount due to related parties and other payables	(2,616,284,565)	(10,430,790)	(14,716,938)
Loans and borrowings	(3,843,932,139)	-	-
Bank overdrafts	(441,380,246)	-	-
Net currency exposure	(5,460,973,356)	(10,202,295)	(13,854,693)

The following significant exchange rate were applied during the year:

	Average rate		Reporting date spot rate	
	2025	2024	31/12/2025	31/12/2024
1 US\$: MVR	15.42	15.42	15.42	15.42
1 Euro : MVR	18.33	16.88	19.67	16.41
1 SGD : MVR	12.67	11.67	13.68	11.57

Exchange rates have been taken from the system, which has the Bank of Maldives exchange rates that update each month.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EURO, SGD against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amount shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

GROUP

31 st December 2025

	Profit or loss	
	Strengthening	Weakening
USD 5% movement	(207,791,803)	207,791,803
EURO 5% movement	(664,447)	664,447
SGD 5% movement	(746,542)	746,542
	(209,202,792)	209,202,792

31 st December 2024

USD 5% movement	(272,283,070)	272,283,070
EURO 5% movement	(509,859)	509,859
SGD 5% movement	(692,880)	692,880
	(273,485,809)	273,485,809

COMPANY

31 st December 2025

USD 5% movement	(203,014,084)	203,014,084
EURO 5% movement	(664,447)	664,447
SGD 5% movement	(746,542)	746,542
	(204,425,074)	204,425,074

31 st December 2024

USD 5% movement	(273,048,668)	203,014,084
EURO 5% movement	(510,115)	664,447
SGD 5% movement	(692,735)	746,542
	(274,251,517)	204,425,074



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43 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (Continued)

(c) Price risk

Exposure

The Group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet as at fair value through other comprehensive income (FVOCI).

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The majority of the Group's equity investments are publicly traded and are included in the Maldives Stock Exchange (Masix).

Sensitivity

The table below summarises the impact of increases/decreases of the indexes on the Group's equity for the period. The analysis is based on the assumption that the equity indexes had increased by 5% or decreased by 5%, with all other variables held constant, and that all of the Group's equity instruments moved in line with the indexes.

	Impact on other components of equity	
	2025	2024
	MVR	MVR
Maldives Stock Exchange - Masix – increase 5%	4,758,915	11,561,290
Maldives Stock Exchange - Masix – decrease 5%	(4,758,915)	(11,561,290)

Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as at FVOCI.

Amounts recognised in other comprehensive income

The amounts recognised in other comprehensive income in relation to the various investments held by the Group are disclosed in Note 19.

(vi) Insurance risks

(a) Key risks arising from contracts issued

The Group issues life and non-life insurance contracts including direct and indirect participating contracts. The nature and extent of the underwriting and financial risks arising from these contracts are determined by the contract design. The risks are evaluated for risk management purposes in conjunction with the risks mitigated by related

(a)(i) Life direct participating and indirect participating contracts

Product	Key Risks	Risk mitigation
Term assurance	<ul style="list-style-type: none"> Mortality risk: death of policyholder earlier than expected 	<ul style="list-style-type: none"> Reinsurance with financially strong reinsurers
Indirect participating	<ul style="list-style-type: none"> Mortality risk Interest rate risk: differences in duration and yield of assets and liabilities 	<ul style="list-style-type: none"> Matching of asset and liability cash flows Investing in investment-grade assets Surrender penalties Management discretion to set crediting rates
Direct participating	<ul style="list-style-type: none"> Mortality risk Interest rate risk: differences in duration and yield of assets and liabilities Market risk: insufficient fees to cover expenses 	<ul style="list-style-type: none"> Matching of asset and liability cash flows Investing in investment-grade assets Surrender penalties

These key risks reflect only the downside risk to the Group. For most of these risks, there is also an upside risk.

All life contracts expose the Group to significant insurance risk. Although mortality and morbidity experience may be affected by unexpected events (e.g. epidemics), the most significant changes to insurance risk factors (e.g. lifestyle changes, medical advances and improvements in social conditions) tend to occur over a long period of time. The longer the coverage period, the greater the Group's exposure to insurance risk.

Policyholder behaviour risk is a key risk life contracts. The timing of surrenders and the timing and frequency of withdrawals may impact the Group's returns.

Underlying items

The following table sets out the composition and the fair value of underlying items of the Group's participating contracts at the reporting date.

In millions (MVR)	Note	31st December 2025			31st December 2024		
		Direct participating contracts	Indirect participating contracts	Total	Direct Participating contracts	Indirect participating contracts	Total
Cash & Cash Equivalent		1,366,367	820,662	2,187,029	847,843	1,304,157	2,152,000
Financial Investments		7,969,662	96,005,778	103,975,440	8,809,579	103,847,920	112,657,499

(a)(ii) Non-life contracts

Product	Key Risks	Risk mitigation
Property and casualty	<ul style="list-style-type: none"> Extreme weather events Natural catastrophes Legislative changes giving rise to increased claims Emergence of long-tailed claims: e.g. latent disease type claims 	<ul style="list-style-type: none"> Diversification of types of risk, industries Extensive analysis of data to enhance risk selection, segmentation and profitability Reinsurance with financially strong reinsurers, including excess of loss catastrophe cover

The key risks arising from non-life contracts are the unknown frequency and severity of claims, which are influenced by the nature of the risks covered.

For property, the frequency and severity of claims are affected by the occurrence of extreme weather events (e.g. floods, wildfires and hurricanes) and other natural catastrophes (e.g. earthquakes). In particular, the cost of rebuilding or repairing a property, together with the cost of business interruption, is a significant feature in the overall value of claims in this portfolio. In addition, increasing climate risk could potentially introduce material uncertainty in assumptions and result in inaccurate pricing of insurance risk.



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43 Financial Risk Management (continued)

(vi) Insurance risks (continued)

(b) Underwriting risk

Underwriting risk comprises insurance risk, policyholder behaviour risk and expense risk.

- **Insurance risk:** the risk transferred from the policyholder to the Group, other than financial risk. Insurance risk arises from the inherent uncertainty about the occurrence, amount or timing of claims.
- **Policyholder behaviour risk:** the risk that a policyholder will cancel a contract (i.e. lapse or persistency risk), increase or reduce premiums, withdraw deposits a contract earlier or later than expected.
- **Expense risk:** the risk of unexpected increases in the administrative costs associated with the servicing of a contract (rather than in the costs associated with insured events).

(b)(i) Management of underwriting risk

The board of directors sets the Group's strategy for accepting and managing underwriting risk. Specific underwriting objectives (e.g. aggregation limits, reinsurance protection thresholds and line of business diversification parameters) are prepared and reviewed by the Group's head of underwriting. The board continuously reviews its underwriting strategy in the light of evolving market pricing and loss conditions and as opportunities present themselves.

The carrying amounts of the Group's non-life insurance contracts (net of reinsurance) are analysed below by type of product.

	2025	2024
Engineering	(12,646,930)	2,003,887
Fire	25,776,817	(92,155,636)
Liability	74,410,101	(18,334,096)
Marine	(62,191,326)	7,033,903
Health	(178,387,358)	14,957,656
Miscellaneous	(22,922,338)	(8,508,853)
Workmen's compensation	(365,547)	(1,399,238)
Total non-life	(176,326,581)	(96,402,377)

(b)(ii) Sensitivity analysis

The table below analyses how the CSM, profit or loss and equity would have increased (decreased) if changes in

(b)(ii) Sensitivity analysis (continued)

31 December 2025 <i>In million of MVR</i>	CSM	
	Gross	Net
Life risk and life savings		
Mortality rates (1% increase)	(13,703)	(3,672)
Mortality rates (1% decrease)	13,703	3,672
Expenses (5% increase)	(4,152,970)	(4,152,970)
Expenses (5% decrease)	4,152,970	4,152,970
Lapse rates (5% increase)	896,436	896,436
Lapse rates (5% decrease)	(896,436)	(896,436)
Participating		
Mortality rates (1% increase)	(4,478)	(723)
Mortality rates (1% decrease)	4,478	723
Expenses (5% increase)	(3,017,305)	(3,412,988)
Expenses (5% decrease)	3,017,305	3,412,988
Lapse rates (5% increase)	(12,416,654)	(11,984,243)
Lapse rates (5% decrease)	12,416,654	11,984,243



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43 Financial Risk Management (continued)
(vi) Insurance risks (continued)
(b) Underwriting risk (continued)
(b)(ii) Sensitivity analysis (continued)

31 December 2024 <i>In million of MVR</i>	CSM	
	Gross	Net
Life risk and life savings		
Mortality rates (1% increase)	(5,455)	(1,510)
Mortality rates (1% decrease)	5,456	1,510
Expenses (5% increase)	(95,768)	(100,010)
Expenses (5% decrease)	95,768	100,010
Lapse rates (5% increase)	158,684	208,006
Lapse rates (5% decrease)	(166,808)	(217,282)
Participating		
Mortality rates (1% increase)	(1,783)	(297)
Mortality rates (1% decrease)	1,783	298
Expenses (5% increase)	(35,852)	(36,155)
Expenses (5% decrease)	35,852	36,155
Lapse rates (5% increase)	(51,126)	(51,929)
Lapse rates (5% decrease)	52,866	53,700

Changes in underwriting risk variables mainly affect the CSM, profit or loss and equity as follows. The effects on profit or loss and equity are presented net of the related income tax.

CSM	<ul style="list-style-type: none"> Changes in fulfilment cash flows not relating to any loss components, other than those recognised as insurance finance income or expenses.
Profit or loss	<ul style="list-style-type: none"> Changes in fulfilment cash flows relating to loss components. Changes in fulfilment cash flows that are recognised as insurance finance income or expenses in profit or loss.
Equity	<ul style="list-style-type: none"> Changes in fulfilment cash flows that are recognised as insurance finance income or expenses in OCI. The effect on profit or loss under (ii)

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and this principally arises from the Group's insurance receivable. Credit risk may also arise from the counter-parties who hold financial assets of the Group.

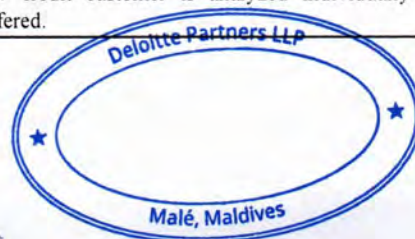
Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Carrying amount As at 31 December	
	2025	2024
Amount due from related parties	199,028,997	123,323,934
Other receivables	4,000,000	4,000,000
Financial assets measured at amortized cost	556,957,145	500,383,486
Balances with banks	136,095,382	79,966,686
	896,081,524	707,674,106

Insurance receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management has established a credit policy under which each new credit customer is analyzed individually for creditworthiness before the Group's standard credit payment terms are offered.



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43 Financial Risk Management (continued)

(ii) Credit risk (Continued)

Reinsurance receivables

Credit risk on the Group's recoverable from reinsurers balance existed at December 31, 2025 to the extent that any reinsurer may be unable or unwilling to reimburse the Group under the terms of the relevant reinsurance arrangements. The Group is also exposed to the credit risk assumed in fronting arrangements and to potential reinsurance capacity constraints. The Group regularly assesses the creditworthiness of reinsurers with whom it transacts business.

Amount due from related parties and other receivables

The Group takes on exposure to credit risk from amounts due from related party and other receivable, which is the risk that a counterparty will cause a financial loss for the Group by failing to discharge an obligation. The Group's management therefore carefully manages its exposure to credit risk.

Debt Securities

The credit risk arising from the deposits made in financial institutions are managed by the Group policy directions provided by the Board of Directors.

The Group transacts only with a limited number of institutions all of which have stable credit ratings. The Group's exposure and credit rating of counterparties are continuously monitored.

The Group monitors changes in credit risk by tracking the published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting period that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields and with available regulatory information about debtors.

The maximum credit risk is limited to the carrying value of these financial assets as at 31st December 2025

	Group		Company	
	2025 MVR	2024 MVR	2025 MVR	2024 MVR
Financial assets measured at amortized cost				
Investments in government treasury bills	1,205,779,744	2,092,217,551	1,165,185,617	1,927,500,000
Investments in Corporate bonds	64,679,249	59,031,937	-	-
Investment - Fixed deposit	782,372,831	428,474,365	599,676,406	348,350,410
Short term financial instruments	1,473,197,461	786,030,519	1,216,340,000	566,823,780
Total net amount	3,526,029,285	3,365,754,371	2,981,202,023	2,842,674,190
Provision for impairment	(529,544)	(630,375)	(451,140)	(556,251.00)
Total net amount	3,525,499,741	3,365,123,996	2,980,750,883	2,842,117,939
Cash and Cash Equivalent				
Cash and cash Equivalent	1,876,874,692	644,310,408	1,339,719,720	239,321,350
Less : Expected credit loss	(1,029,052)	(290,669)	(648,350)	(198,322)
	1,875,845,640	644,019,739	1,339,071,370	239,123,028



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43 Financial Risk Management (continued)

(ii) Credit risk (Continued)

The Group uses a similar approach for assessments for ECLs for cash and cash equivalent to those used for debt securities. Impairment on cash and cash equivalent has been measured on a 12- month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalent have low credit risk based on the external credit ratings of the counterparties.

	Group		Company	
	2025	2024	2025	2024
	MVR	MVR	MVR	MVR
Analysis of Financial assets measured at amortized cost				
Not Impaired	2,947,351,481	2,781,017,607	2,499,100,000	2,417,223,780
BBB- to AAA	578,677,804	425,450,410	482,102,023	425,450,410
BB- to BB+	-	-	-	-
B- to B+	-	-	-	-
C to CCC+	-	159,286,353	-	-
Total Gross Carrying Amounts	3,526,029,285	3,365,754,370	2,981,202,023	2,842,674,190
Provision for impairment	(529,544)	(630,375)	(451,140)	(556,251)
Total net amount	3,525,499,741	3,365,123,995	2,980,750,883	2,842,117,939
Movement in the allowances of the impairment for debt securities at amortized cost during the year.				
	2025	2024	2025	2024
	MVR	MVR	MVR	MVR
Balances as at 1st January	74,534	1,448,085	556,251	-
During the year provision	(100,831)	(1,373,551)	(105,111)	556,251
Balances as at 31st December	(26,297)	74,534	451,140	556,251

Balances with banks

The Group's balance with bank are primarily held at major financial institutions in the jurisdictions in which the Group operates. The Group monitors risks associated with cash and short term investments by regularly reviewing the financial strength and creditworthiness of these financial institutions and more frequently during periods of economic volatility.

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation. The Group closely monitors cash inflows and outflows sector levels to ensure matching of cash flows wherever possible.



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44 EVENTS AFTER THE REPORTING DATE

44.1 Dividend

Subject to the approval of the shareholders at the Annual General Meeting, the Board of Directors recommends a First and Final dividend of MVR 85 per ordinary share for the year ended 31st December 2025 (31st December 2024: MVR 80/-). The dividend payable has not been accounted for until it is approved at the forthcoming Annual General Meeting.

44.2 Loan obtained for internal funding requirements

The Company obtained a loan amounting to USD 100 million for internal funding requirements from OQ trading at the rate of 8.90%.

44.3 Purchase of a vessel

The company has acquired a Fuel tanker amounting MVR 326,424,684 during February 2026.

44.4 Opening of an outlet in Hulhumale

The Company commenced operations of a new retail outlet located in Hulhumale on 17th February 2026.

44.5 Settlement of MVR 1 Billion after tripartite agreement

Pursuant to a tripartite settlement agreement entered into between the Government of Maldives represented by the Ministry of Finance and Public Enterprises, State Trading Organization PLC and Fenaka Corporation Limited dated 15th February 2026, certain outstanding balances to the STO Group were mutually offset among the parties.

Under this arrangement, an amount of MVR 499,302,922.48 was offset against dividend payable to Government of Maldives and trade receivables due from Fenaka Corporation Limited on 31st March 2026. On 30th April 2026, MVR 500,697,077.52 was settled in cash. As a result of the above settlement, the full amount of MVR 1,000,000,000 was cleared, resulting in a reduction in amount due from Fenaka Corporation Limited in the Group's statement of financial position.

In relation to this, Dividend payable by Company has reduced by MVR 499,302,922.48 and receivable from Fuel Supplies Maldives Pvt Ltd to Company has reduced by MVR 1,000,000,000

44.6 Investment in financial instruments

The Company has invested MVR 1,286,700,000 in Treasury Bills with an annual interest rates ranging from 4.23% to 12.75%, and an additional USD 12,690,000 in Treasury Bills at an interest rate of 10.15% per annum. The Company has also invested USD 100 million in Treasury Bonds carrying an annual interest rate of 9%. In addition, a fixed deposit of USD 8 million was placed at interest rates ranging between 4.65% and 4.85% per annum.

44.7 Transfer of retail operations of medical segment to State Pharmaceutical and Medical Supply Corporation Limited

As per Government decision, the Company has been engaged in discussion with Government and stakeholders for the transfer of retail operations of Medical segment to State Pharmaceutical and Medical Supply Corporation Limited.

44.8 Except as described above, no other events or circumstances have arisen since the reporting date that require adjustment to, or disclosure in, the financial statements.

45 DIRECTOR'S RESPONSIBILITY

The Board of Directors of the Group / the Company is responsible for the preparation and presentation of these consolidated and separate financial statements.

46 CORRESPONDING FIGURES

The corresponding figures of the financial statements have been reclassified to conform with current year's classifications.

47 INVESTMENT IN SUBSIDIARIES

The Company is the parent company for the following subsidiary companies

	Country of incorporation	No of shares		Shareholding	
		2025	2024	2025	2024
Maldive Gas Private Limited	Republic of Maldives	61,200	61,200	90.00%	90.00%
Allied Insurance Company of the Maldives Private Limited	Republic of Maldives	299,998	299,998	99.99%	99.99%
STO Maldives (Singapore) Private Limited	Singapore	200,000	200,000	100.00%	100.00%
Fuel Supplies Maldives Private Limited	Republic of Maldives	15,299	15,299	99.99%	99.99%
Maldives National Oil Company Limited	Republic of Maldives	99,999	99,999	99.99%	99.99%
STO Hotels & Resorts Private Limited	Republic of Maldives	9,999	9,999	99.99%	99.99%
Maldives State Shipping Company Private Limited	Republic of Maldives	999.90	999.90	99.99%	99.99%

47.1 Principal subsidiaries with material non-controlling interests

Summarised financial information in respect of STO PLC's subsidiary Maldive Gas Private Limited that have material non-controlling interest.

Maldive Gas Private Limited (the "Company") is a Company incorporated and domiciled in the Republic of Maldives as a private limited liability Company under the Companies Act No. 10 of 1996, with its registered office H. Maizan, Sosun Magu, Male', Republic of Maldives.

Summarised financial details before inter-company eliminations, is set out below.

As at 31 December

	2025	2024
	MVR	MVR
Non-controlling interest in %	10%	10%
Non-current assets	305,159,216	284,277,144
Current assets	155,267,115	119,495,682
Total assets	460,426,331	403,772,826
Equity	300,681,841	258,939,355
Non-current liabilities	116,162,829	112,471,487
Current liabilities	43,581,661	32,361,984
Total liabilities	159,744,490	144,833,471

For the year ended 31 December

Revenue from contracts with customers	311,225,594	281,957,303
Profit after tax	43,394,643	18,979,581
Total comprehensive income / (Loss)	947,843	203,597
Net cash generated from operating activities	90,440,931	36,904,126
Net cash used in investing activities	(44,215,729)	(23,795,768)
Net cash used in financing activities	999,017	1,408,845
Cash and cash equivalents at the end of the year	105,066,855	57,842,636



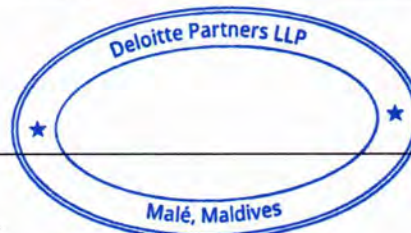
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48 RELATED PARTY TRANSACTIONS

48.1 GROUP

Name of the related party	Relationship	Nature of the transaction	Amount		Balance outstanding due from / (to)			
			2025	2024	31/12/2025		31/12/2024	
			MVR	MVR	MVR		MVR	
				Receivables	Payables	Receivables	Payables	
Maldives Structural Product Private Limited	Joint venture	Purchase of goods	(85,094,537)	(78,560,738)	-	(17,759,754)	-	(30,346,734)
		Dividend received	8,000,000	10,000,000				
		Payment received	(8,000,000)	(10,020,267)				
		Other income	130,312	20,267				
		Payment made	97,551,206	63,813,042				
Raysut Maldives Cement Private	Associate	Purchase of goods	(122,662,357)	(82,582,563)	2,282,772	(53,068,166)	2,177,916	(32,361,284)
		Payment made	101,950,119	85,402,376				
		Sales of goods	110,212	469,855				
		Payment received	-	(213,065)				
Ministry of Finance and Public Enterprises	Majority shareholder	Food subsidy income	414,487,078	421,441,207	210,015,212	#####	494,265,345	(128,057,896)
		Fuel subsidy	1,252,461,405	1,590,066,422				
		Interest receivable	147,262,713	102,444,066				
		Other services	19,542	9,571				
		Sale of goods	20,645	38,762,535				
		Payment received	(2,098,501,517)	(2,256,725,757)				
Ministry of Health	Majority shareholder	Sale of goods	433,649,727	269,033,130	302,932,006	1,375,459	367,371,155	1,375,459
		Payment received	(498,088,877)	(163,740,556)				
		Rent	-	1,534,839				
		Service provided	-	13,728				
State Electric Company (STELCO)	Affiliate company	Service obtained	(32,096,621)	(22,810,282)	130,891,838	(2,600,504)	208,638,152	(2,269,163)
		Payment made	31,832,650	26,840,580				
		Payment received	(1,826,636,487)	(1,600,907,342)				
		Sale of goods and fuel	1,748,902,423	1,658,652,890				
		Purchase of goods	(79,620)	(2,755,689)				
Indira Gandhi Memorial Hospital	Affiliate company	Sale of goods	392,420,749	326,197,959	163,527,732	(575,183)	204,259,639	(504,593)
		Rent	(3,650,400)	(3,451,650)				
		Payment made	3,695,423	3,369,600				
		Service obtained	(121,213)	(271,919)				
		Payment received	(433,147,056)	(253,239,675)				
Rainbow Enterprises Private Limited	Affiliate company	Purchase of goods	(545,502)	(888,380)	1,505,042	-	3,380,383	(56,290)
		Sale of goods	689,245	16,502				
		Service obtained	(121,127)	(307,181)				
		Payment made	722,919	1,218,652				
		Interest	205,612	100,335				
		Payment received	(2,770,197)	(5,108,243)				
Maldives Road Development Corporation	Affiliate company	Sale of goods	-	3,800	38,594,498	-	38,594,498	-
		Payment received	-	(3,800)			624,822	
Hulhumale Hospital	Affiliate company	Sale of goods	131,225,061	60,031,607	53,562,167	-	49,102,355	(16,500)
		Payment received	(123,995,599)	(26,244,636)				
		CSR	-	(16,500)				
		Payment made	(1,907,150)	461,000				
Ministry of Housing and Infrastructure	Affiliate company	Rent expense	(846,000)	(461,000)				
		Sale of goods	(2,808,000)	14,446	98,356,206	(21,446,882)	98,356,206	(18,638,882)
		Service obtained	-	(7,013,021)				
		Payment made	-	7,140				
Fenaka Corporation Limited	Affiliate company	Payment received	-	(5,293)				
		Sale of goods and fuel	1,206,764,766	1,180,719,941	2,783,217,357	(13,882,747)	#####	(4,522,666)
		Service obtained	(9,127,497)	(8,790,740)				
		Interest received	10,467	-				
		Payment made	(6,667,031)	22,332,064				
Maldives Airport Company Limited	Affiliate company	Payment received	(718,292,015)	(810,992,972)				
		Sale of fuel	2,555,193,528	3,092,402,648	390,337,784	(2,203,878)	328,155,731	(21,520,434)
		Sale of goods	9,945,601	2,337,346				
		Sale of services	1,674,594	908,274				
		Interest income	6,266,871	1,430,537				
		Expense Reimbursement	6,033,091	6,262,409				
		Payment received	(2,516,738,252)	(2,889,883,902)				
		Dollar purchase	-	(74,016,000)				
		Purchase of Fuel	(46,967,281)	(24,983,958)				
		Payment made	82,492,537	78,983,792				
		Services obtained	(16,402,080)	(1,165,245)				



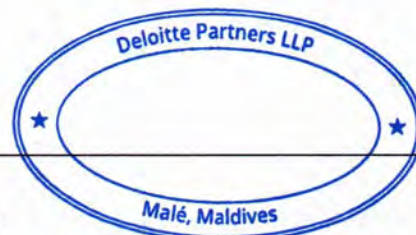
STATE TRADING ORGANIZATION PLC
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48 RELATED PARTY TRANSACTIONS

48.1 GROUP

Addu International Airport Private Limited	Affiliate company	Sale of goods	1,289,440	11,152,882	23,097,411	(2,886,800)	23,097,411	-
		Rent paid	(4,176,240)	(3,868,320)				
		Payment made	1,289,440	3,545,960				
		Payment received	(1,289,440)	(7,008,525)				
Aasandha Private Limited	Affiliate company	Sale of goods	444,055,884	357,462,127	232,794,451	-	253,816,463	(3,299,517)
		Payment received	(461,778,379)	(352,303,405)				
National Social protection Agency	Affiliate company	Sales	267,410,790	300,976,205	349,393,020	-	201,780,032	-
		Payment received	(119,797,802)	(182,512,213)				
United Nations office	Affiliate company	Sales	-	3,950,882	-	-	-	-
		Payment received	-	(76,537,033)				
Ministry of Construction	Affiliate company	Sales	1,427,282	443,985	20,309,593	-	20,961,246	-
		Claims for fuel expenses	-	81,878,961				
		Payment received	(2,078,935)	(147,029,329)				
Housing Development Corporation Limited	Affiliate company	Rent Expense	(15,875,519)	(14,484,842)	48,986,746	(13,032,540)	3,633,973	(13,004,229)
		Other fees	(287,209)	(1,752,074)				
		Sale of land	333,072,000	-				
		Land acquisition fee	(287,920,850)	(12,822,000)				
		Payment made	16,134,417	31,799,498				
		Payment received	(1,177,400)	(994,577)				
		Sale of goods	1,379,024	1,964,278				
Maldives Industrial Fisheries Company Limited	Affiliate company	Sale of goods	-	4,419,020	79,662,499	(1,991,408)	74,592,387	(2,124,317)
		Sale of fuel	326,984,300	291,347,373				
		Purchase of goods	(803,555)	(3,263,818)				
		Service obtained	-	(506,100)				
		Payment made	22,933,345	33,376,414				
		Payment received	(329,416,033)	(284,459,916)				
		Service provided	924,964	2,159,771				
		CSR contribution	-	50,000				
		Purchase of foreign currency	(15,420,000)	(30,840,000)				
		Loan Set-off	-	(62,361,925)				
National Disaster Management Authority	Affiliate company	Payment received	-	(3,927,770)	36,496,684	45,036,502	36,487,684	45,036,502
		Payment	9,000	-				
Maldives Pension	Affiliate	Pension Expense	(22,020,562)	(20,341,578)	1,804,753	(3,697,947)	30,923	(1,804,068)
		Payment made	21,927,680	20,203,442				
		Service provided	266,540	270,103				
		Payment received	(293,709)	(239,180)				
Champa Gas & Oil Company Private Limited	Affiliate company	Sale of fuel	142,131,677	77,332,904	21,886,905	-	9,604,686	-
		Payment received	(129,849,458)	(78,810,494)				
Maldives Transport and Contracting Company	Affiliate company	Sale of goods	20,942,733	60,811,799	151,611,613	(2,736,053)	152,201,275	(2,935,055)
		Sale of fuel	275,576,032	256,440,928				
		Hire Charges	(47,136)	32,400				
		Purchase of Goods	(13,109,781)	(12,693,753)				
		Service Obtained	(5,922,879)	(9,492,655)				
		Payments made	19,278,798	15,714,347				
		Payment received	(297,108,427)	(192,068,233)				
Island Aviation Services Limited	Affiliate company	Sales	54,084,192	56,457,073	20,440,244	(2,561,511)	21,521,730	(1,083,232)
		Other services	-	80,317				
		Purchases	(1,425,694)	(2,229,266)				
		Payments made	-	5,654,644				
		Payment received	(55,218,264)	(54,317,133)				
Treetop Health Pvt Ltd	Affiliate company	Payment made	501,323	462,650	34,230	(781,932)	2,212,288	(46,429)
		Purchase of goods	(456,233)	(455,717)				
		Sale of goods	6,885,593	9,212,363				
		Payment received	(9,844,245)	(7,852,723)				
		Fines received	-	55,122				



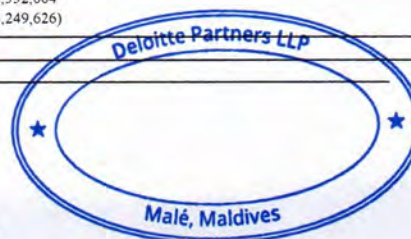
STATE TRADING ORGANIZATION PLC
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48 RELATED PARTY TRANSACTIONS (CONTINUED)

48.2 COMPANY (CONTINUED)

Name of the related party	Relationship	Nature of the transaction	Amount		Balance outstanding due from / (to)			
			2025	2024	31/12/2025		31/12/2024	
			MVR	MVR	MVR Receivables	MVR Payables	MVR Receivables	MVR Payables
Maldives Structural Product Private Limited	Joint venture	Purchase of goods	(85,094,537)	(78,560,738)	-	(17,759,754)	-	(30,346,734)
		Dividend received	8,000,000	10,000,000				
		Payment received	(8,000,000)	(10,020,267)				
		Commission received	-	969,986				
		Other income	130,312	20,267				
		Payment made	97,551,206	63,813,042				
Raysut Maldives Cement Private Limited	Associate	Purchase of goods	(122,662,357)	(82,582,563)	2,282,880	(53,068,166)	2,172,668	(32,361,284)
		Payment made	101,955,475	85,400,675				
		Sales	110,212	253,135				
Maldives State Shipping Company Private Limited	Subsidiary	Loans given	62,124,853	122,881,517	390,600,752	(3,732,692)	369,331,144	(37,252,376)
		Purchases	(83,670,411)	(78,818,789)				
		Sale of goods	30,924,481	-				
		Rent Income	4,097,264	1,063,440				
		Services provided	3,248,914	9,220,547				
		Interest	7,232,716	9,879,509				
		Payments received	(160,331,935)	(45,127,384)				
		Lease receivable	25,206,281	25,306,185				
		Fixed deposit interest	1,142,259	1,635,553				
		Claims received	-	(2,898)				
		Payments made	164,832,259	45,127,384				
Ministry of Finance and Public Enterprises	Majority Shareholder	Food subsidy income	414,487,078	421,441,207	210,015,212	(128,057,896)	494,265,345	(128,057,896)
		Fuel subsidy	1,252,461,405	1,590,066,422				
		Interest receivable	147,262,713	102,444,066				
		Sale of goods	20,645	38,762,535				
		Other services	19,542	9,571				
		Payment received	(2,098,501,517)	(2,256,725,757)				
		Loan Off-set	-	27,901,777				
Ministry of Health	Affiliate company	Sale of goods	433,041,088	269,033,130	302,526,123	-	366,807,293	-
		Payment received	(497,322,259)	(158,744,753)				
		Rent	-	1,534,839				
		Service provided	-	13,728				
State Electric Company (STELCO)	Affiliate company	Service obtained	(32,096,621)	(22,856,482)	130,541,517	(2,584,277)	208,337,764	(2,269,163)
		Payment made	31,861,127	24,514,569				
		Payment received	(1,823,630,981)	(1,596,782,896)				
		Sale of goods and fuel	1,745,834,735	1,654,565,431				
		Purchase of goods	(79,620)	(343,875)				
Indira Gandhi Memorial Hospital	Affiliate company	Sale of goods	386,601,516	325,459,158	157,830,500	(575,183)	203,665,417	(504,593)
		Rent	(3,650,400)	(3,369,600)				
		Payment made	3,701,023	3,369,600				
		Payment received	(432,436,432)	(252,349,052)				
		Service obtained	(121,213)	(271,919)				
Rainbow Enterprises Private Limited	Affiliate company	Purchase of goods	(545,502)	(888,380)	1,505,042	-	3,380,383	(56,290)
		Service obtained	(121,127)	(307,181)				
		Sale of goods	689,245	16,502				
		Payment made	722,919	1,218,652				
		Interest	205,612	100,335				
		Payment received	(2,770,197)	(5,108,243)				
Maldives Road Development Corporation	Affiliate company		-	-	37,969,676	-	37,969,676	-
Hulhumale Hospital	Affiliate company	Sale of goods	125,877,423	58,165,248	50,765,590	-	48,497,490	(16,500)
		Payment received	(123,609,322)	(24,334,366)				
		CSR	-	(16,500)				
		Payment made	862,500	461,000				
		Rent expense	(846,000)	(461,000)				
Fenaka Corporation Limited	Affiliate company	Sale of goods	8,113,439	-	6,845,213	(12,567,021)	5,155,754	(3,439,524)
		Service obtained	(9,127,497)	(8,559,559)				
		Interest received	10,467	-				
		Payment made	-	22,332,064				
		Payment received	(6,434,447)	(24,249,626)				



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48 RELATED PARTY TRANSACTIONS (CONTINUED)

48.2 COMPANY (CONTINUED)

Name of the related party	Relationship	Nature of the transaction	Amount		Balance outstanding due from / (to)			
			2025	2024	31/12/2025		31/12/2024	
			MVR	MVR	MVR Receivables	MVR Payables	MVR Receivables	MVR Payables
Maldives Airport Company Limited	Affiliate company	Sale of fuel	2,545,746,359	3,082,598,558	389,502,704	(2,203,878)	327,785,956	(21,520,434)
		Sale of goods	9,755,217	2,164,171				
		Sale of services	1,674,594	908,274				
		Interest income	6,266,871	1,430,537				
		Expense Reimbursement	6,033,091	6,262,409				
		Payment received	(2,507,759,384)	(2,879,369,067)				
		Dollar purchase	-	(74,016,000)				
		Purchase of Fuel	(46,967,281)	(24,983,958)				
		Payment made	82,685,917	78,983,792				
		Services obtained	(16,402,080)	(1,165,245)				
Marine & Infrastructure Development Pvt Ltd	Affiliate company	Sale of goods	5,666,367	-	37,282,328	-	-	-
		Sale of fuel	31,615,961	-				
Penninsula Infrastructure Pvt Ltd	Affiliate company	Sale of goods	874,961	-	68,260,462	-	-	-
		Sale of fuel	67,385,501	-				
Addu International Airport Private Limited	Affiliate company	Sale of goods	(580)	11,152,882	21,503,440	(2,886,800)	22,793,460	-
		Rent paid	(4,176,240)	(3,868,320)				
		Payment made	1,289,440	3,545,960				
		Payment received	(1,289,440)	(7,008,525)				
Ministry of Housing and Infrastructure	Affiliate company	Service obtained	(2,808,000)	(7,008,525)	98,145,303	(21,446,882)	98,145,303	(18,638,882)
		Sale of goods	-	5,293				
		Payment made	-	7,140				
		Payment received	-	(5,293)				
Aasandha Private Limited	Affiliate company	Sale of goods	444,055,884	357,462,127	232,794,451	-	253,816,463	(3,299,517)
		Payment received	(461,778,379)	(352,303,405)				
Housing Development Corporation Limited	Affiliate company	Rent Expense	(15,875,519)	(14,484,842)	48,986,746	(13,032,540)	3,633,973	(13,004,229)
		Other fees	(287,209)	(1,752,074)				
		Land acquisition fee	(287,920,850)	(12,822,000)				
		Sale of Hulhumale' hotel	333,072,000	-				
		Payment made	16,134,417	31,799,498				
		Payment received	(1,177,400)	(994,577)				
Maldives Pension Administrative Office	Affiliate company	Sale of goods	1,379,024	1,964,278				
		Pension Contribution	(22,020,562)	(20,341,578)	1,804,753	(3,697,947)	30,923	(1,804,068)
		Payment made	21,927,680	20,203,442				
		Service provided	266,540	270,103				
Champa Gas & Oil Company Private Limited	Affiliate company	Payment received	(293,709)	(239,180)				
		Sale of fuel	142,131,677	77,332,904	21,886,905	-	9,604,686	-
National Social protection Agency	Affiliate company	Payment received	(129,849,458)	(78,810,494)				
		Sales	266,740,770	300,976,205	349,393,020	-	201,780,032	-
United Nations office	Affiliate company	Payment received	(119,127,781)	(182,512,213)				
		Sales	-	3,950,882	-	-	-	-
Ministry of Construction	Affiliate company	Payment received	-	(76,537,033)				
		Sales	936,271	89,631	20,279,264	-	20,312,629	-
		Claims for fuel expenses	-	81,878,961				
Treetop Health Pvt Ltd	Affiliate company	Payment received	(969,636)	(145,420,422)				
		Payment made	501,323	462,650	-	(781,932)	2,142,908	(46,429)
		Purchase of goods	(456,233)	(455,717)				
		Sale of goods	6,531,321	8,822,952				
		Payment received	(9,454,822)	(7,524,513)				
		Fines received	-	55,122				

48.2.1 Trade receivable and payable from related parties are unsecured, at no fixed interest rate and repayable on demand. Therefore, the full amount has shown as current receivables and payables.

48.2.2 Transactions with key management personnel

The Managing Director and a board of directors of the Company are the members of the key management personnel. Key management personnel compensation comprised the following.

	2025 MVR	2024 MVR
Short term employee benefits	3,394,703	3,394,064



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49 RECLASSIFICATION OF COMPARATIVE INFORMATION

During the year, the Company revised the presentation of certain balances to enhance the relevance and clarity of its financial statements. Advances payable amounting to MVR 130,468,357, previously included within other payables of "Trade and other payables" as at 31 December 2024, have been reclassified and presented under "Amounts due to related parties". In addition, debit balances within "Trade and other payables" amounting to MVR 674,473 have been reclassified to "Trade and other receivables." These reclassifications provide a more relevant presentation of the financial performance by disclosing related party payables and trade and other payables directly under associated note instead of other payables to trade vendors.

The impact of the reclassification on the comparative statement of profit or loss is as follows:

Financial year ended 31 Dec 2024 (Company)

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION	Previous presentation	Reclassification	Current presentation
Trade and other receivables	645,251,666	674,472	645,926,138
Trade and other payables	3,304,789,282	(129,793,884)	3,174,995,398
Amounts due to related parties	362,235,237	130,468,357	492,703,594

Financial year ended 31 Dec 2024 (Group)

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION	Previous presentation	Reclassification	Current presentation
Trade and other receivables	1,308,336,811	674,473	1,309,011,284
Trade and other payables	3,638,952,709	(129,793,884)	3,509,158,825
Amounts due to related parties	190,054,926	130,468,357	320,523,283

This reclassification has no impact on the profit for the year or retained earnings.

