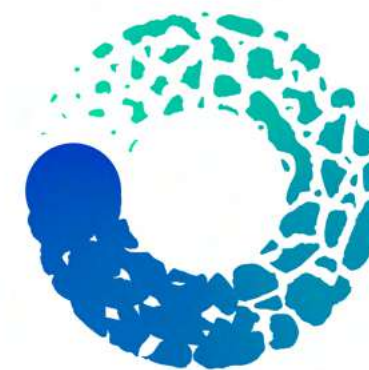


# ANNUAL REPORT 2023



**MTDC**  
MALDIVES  
TOURISM DEVELOPMENT  
CORPORATION





**MTDC**

MALDIVES  
TOURISM DEVELOPMENT  
CORPORATION



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# ABOUT MTDC

## OUR VISION

To lead as the top public corporation in the Maldives, striving for excellence through expertise and financial capability and to surpass stakeholder expectations and maximize benefits from the tourism industry.

## OUR MISSION

MTDC's mission is to explore diverse investment opportunities and leverage its assets to maximize profits, thereby enhancing shareholder confidence and wealth.

Our target is to transform the designated islands into eco-friendly resorts, providing unforgettable experiences cherished by visitors.

## CORE PURPOSE

To develop 15 islands initially designated by the government, with the aim of generating profits from the tourism industry for the benefit of the general public.

## FINANCIAL GOALS

To find rewarding investment opportunities for every Maldivian citizen.

## DISCIPLINARY PRINCIPLES

In order to run the company the way we have, our directors and employees alike share a certain set of principles which we abide by.

1. Shareholder's rights are to be protected at all times.
2. Working with an open-mind.
3. Finding innovative methods to carry out the given task efficiently.
4. Respecting each other's differences.
5. Vouching for the truth and express opinion without any reluctance.

### Registered Office

1st floor, G. Fathuruvehi Buruzu Magu, Male', Republic of Maldives

Phone: +960 334 7766

Email: info@mtdc.com.mv

Website: www.mtdc.com.mv

### Registry Number

C-280/2006

### Legal Form

Public Limited Liability Company, Incorporated in Maldives at the Ministry of Economic Development under the company's Law no. 10/96.

### Share Holding structure ast at 31st December 2023

Shareholder Group	Number of Shares	Rate per 10 MVR	%
Public	18,428,278	184,282,780	53
Government	15,659,076	156,590,760	47
Total	34,087,354	340,873,540	100
Authorized Share Capital	100,000,000	1,000,000,000	
Paid Up Capital	34,087,354	340,083,540	

### Joint Venture of MTDC

Company Name	ENA Hotel Holding Company Pvt. Ltd.
Company Address	H. Aage, 2nd Floor, Boduthakurufaanu Magu, Male' City, Maldives
Type of Venture	Joint Venture
% of Shares owned by MTDC	20%

Company Name	Global Resorts and Development Maldives Pvt Ltd
Company Address	H. Thuniya, Boduthakurufaanu Magu, Male', Maldives
Company Address	Joint Venture
% of Shares owned by MTDC	15%

### Listing

MTDC was listed on the Maldives Stock Exchange on January 8, 2007.

### Company Secretary

Ms. Mariyam Leena Ali

### Auditors

KPMG, Chartered Accountant, 2nd Floor, H.Mialani, Male', Maldives

### Legal Advisors

Uz. Hussain Siraj H.Merry Rose, Male' Republic of Maldives



# FINANCIAL HIGHLIGHTS

## OPERATIONS

	2018	2019	2020	2021	2022	2023
Income in USD	4,578,797	3,682,785	3,674,746	4,127,199	7,342,830	6,702,727
Operating Profit Margin	39%	41%	32%	345%	47%	36%
Profit for the year in USD	1,537,905	1,238,925	964,359	11,650,364	2,505,711	2,121,41
Profit for the year in USD	0.045	0.036	0.028	0.342	0.074	0.062
Dividend per share in MVR	-	0.50	0.50	0.60	0.60	-
Return on Equity	7.04%	3.07%	2.40%	22.97%	4.83%	4.03%

## FINANCIAL POSITION

	2018	2019	2020	2021	2022	2023
Cash & Bank balances in USD	2,357,661	370,461	706,104	4,836,517	5,010,491	917,754
Total Assets in USD	47,054,011	69,874,244	77,878,187	99,515,899	96,509,012	86,969,868
Total Assets per share in USD	1.38	2.05	2.28	2.92	2.83	2.55
Net Asset per share in USD	0.64	1.18	1.18	1.43	1.31	1.01

## MARKET PERFORMANCE

	2019	2020	2021	2022	2023
Closing price in MVR	10	10	10	11	150
Year high in MVR	10	10	10	15	150
Year low in MVR	10	10	10	10	10
Market capitalisation in MVR	340,873,540	340,873,540	340,873,540	340,873,540	340,873,540



# CHAIRMAN'S MESSAGE



“**Dear Shareholders,**

I am excited to extend my warmest greetings to you, and to present the Annual Report 2023.

Our journey this year has been marked by incredible experiences, unwavering commitment, and a steadfast vision for excellence. As Chairman, my foremost commitment along with the Members of the Board, has always been to ensure that we continue to uphold the highest standards of quality and integrity, in the face of the challenges presented by an ever-evolving world.

It was crucial to ensure that our strategies are in line with the current business environment, undergoing rapid transformation driven by technological advancements, globalization, and evolving consumer expectations.

We have finalized our strategies for the next 10 years, aiming to increase the company's assets, and thereby enhancing revenue, profit, and cash flow. The Board consistently ensures that management can focus on the strategic development of the company and on profitable and sustainable growth. We are confident that 2024, and the years ahead, will bring positive developments for our stakeholders.

The financial year 2023 was notably volatile, particularly concerning our strategic decision related to the development of Hdh. Nagoashi. Although this resulted in a reduction of total assets, our debt restructuring efforts

achieved a similar reduction in liabilities, allowing us to maintain a slight increase in net assets. The impact of Hdh. Nagoashi also led to a decline in revenue, gross profit, and net profit. However, all indicators show that the company's position will improve positively in 2024.

MTDC has increasingly adopted digital solutions, to enhance efficiency, and shareholder engagement. The rise of remote and flexible working arrangements has redefined traditional office dynamics, necessitating cybersecurity measures and innovative communication tools. Amidst these changes, adaptability and resilience are key for organizations to thrive in this ever-changing business environment.

The world is more interconnected than ever, and as more people are embracing travel as an integral part of their lives - a means to explore, connect, and discover the beauty and diversity of our planet. At MTDC, we recognize the profound impact of these changes on our business businesses, and we are excited to play a pivotal role on this journey.

As we look to the future, we are excited about the opportunities that lie ahead. While continually innovating and adapting to the changing landscape of travel industry, leveraging technology and strategic partnerships to take the company forward.

On behalf of the Board, it is a pleasure for me to express my gratitude to our shareholders for the enduring trust and confidence reposed in us over the years.

I also extend my deepest gratitude to our employees for their hard work and dedication, and to all Board members, who have contributed immensely, through their expertise and knowledge and commitment.

**Abdulla Faiz**  
Chairman

# MANAGING DIRECTOR'S MESSAGE



“**Dear Shareholders,**

The Maldives Tourism Development Corporation (MTDC) stands steadfast in contributing to the country's economy while maximizing shareholder profit. The company has surmounted innumerable challenges in the past and is emerging as a major contributor towards the tourism growth of the country, directly connecting the locals to the benefits of tourism. We are now a rapidly growing company that meets the expectations of the shareholders and other stakeholders. Tourism remains the main pillar of the Maldivian economy. We derive immense pride in our vital role in the country's tourism sector which drives the very pulse of our economy. With the vision of expanding our market presence within the industry, we are incessantly improving our operational efficiency, and striving to achieve the long-term strategic goal of increasing the total asset value. The record number of tourists visiting the country each year only confirms the appeal that the Maldives hold for the international traveller. With this trend we can invest more substantially in the future to achieve increased revenue from our investments.

In 2023, the Company rigorously reflected on its performance track, experts analysed the company growth pattern, missteps, and identified the most lucrative investments for the future. With a more substantial strategic plan, the Company is now at a vantage point to take new investment decisions while mitigating the impact of the potential threats.

We have maintained an excellent relationship with the proprietors of our leased islands that are currently operational, which account for a significant percentage of the company revenue. Although the resort development at H.Dh. Naagoshi was halted due to financial constricts experienced by the partner company given the world economic situation, we have secured a new partner and have scheduled to resume the construction phase of the project within the 4th quarter of 2024. We are also delighted to announce that we are presently in the preliminary stages of finalizing the development and construction of a city hotel in Greater Male' region by partnering with an international, well-established brand. Moreover the Company's 10 storey office building complex is in the construction phase, planned to be formally open by 3rd quarter of 2025. MTDC also continues with its efforts to build and manage a resort exclusively owned, enabling Maldivians more opportunities to find work with local companies.

Rewarding an attractive dividend to shareholders has always been a key focus of MTDC. Despite some difficult years in our past records, our shareholders earned a healthy dividend during the past four years. With the prospect of multiple investments in the year 2024, the Board has approved a dividend of MVR0.60 per share from the annual net profit of 2023, comforting news for the shareholders. The company's net profit went lower than the preceding year due to expenses related to voiding of Naagoshi partnership contract and other preliminary expenses involved in the venture of new partnerships. With the multitude of future investments planned, the Company has a very bright future that assures our place as a major player in the country's tourism sector

Continual renewal of our human capital potential has always remained an essential priority for the company. To align the team's competency and skills with the demands of the wider Company goals and objectives, ample training and development opportunities were offered to the staff to ensure they are cognizant and capable of performing their roles in a rapidly changing business environment that demands sharpening of skills on almost a daily basis. Our Board of Directors were upskilled by local and international experts in a myriad of business topics to help lead and advise the personnel with more informed guidance. As a listed company, in line with the rules of governance, new steps were taken to retain and enhance shareholder trust. We will always remain committed to progress, transparency, and adhering to good governance and ethics

MTDC saw noteworthy success in the year 2023 through adaptation of new business strategies and by taking new steps to embark on development ventures. We pledge to strive unceasingly for the progress of the company with the guidance of the Board to ensure more attractive dividends to the shareholders each successive year. Protecting our shareholder rights will be a key priority while each of us does our best to move forward towards greater accomplishments.

We pray to the Almighty to bless us in our continuous journey of progress and great accomplishments. May we continue to grow in trust with the stakeholders and remain a trusted pillar in the tourism sector, forever contributing to the local communities and to the wider nation.

**Ahmed Niyaz**  
Managing Director



# COMPANY DIRECTORS

From 1st January 2023- 31st December 2023

Name	Position	Classification	Appointments & Resignations
Mr. Abdulla Faiz	Chairman	Independent/ Non-Executive	9th June 2022 -Current
Mr.Ahmed Niyaz	Managing Director	Executive	28th November 2023 -Current
Mr. Thazmeel Abdul Samad	Former Managing Director	Executive	9th June 2022-28th November 2023
Mr.Hussain Haneef	Deputy Managing Director	Executive	24th December 2023 -Current
Mr. Ibrahim Bassam Saeed	Director	Independent/ Non-Executive	26th December 2023-Current
Ms. Asamy Rushdy	Director	Independent/ Non-Executive	9th June 2022- Current
Ms. Aishath Fazeena	Director	Independent/ Non-Executive	9th June 2022-Current
Ms. Aminath Azlifa	Director	Independent/ Non-Executive	9th June 2022-Current
Ms. Aishath Leeza	Director	Independent/ Non-Executive	9th June 2022-Current
Mr. Ibrahim Latheef	Director	Independent/ Non-Executive	2nd March 2023-Current
Mr. Mohamed Janah	Director	Independent/ Non-Executive	9th June 2022-24th December 2023
Mr. Mohamed Fathih	Director	Independent/ Non-Executive	9th June 2022-14th December 2023

# AUDIT AND RISK MANAGEMENT COMMITTEE

From 1st January 2023- 31st December 2023

Name	Position	Classification	Appointments & Resignations
Ms. Aishath Fazeena	Director	Independent/ Non-Executive	20th September 2020-current
Ms. Asamy Rushdy	Director	Independent/ Non-Executive	30th June 2022-current
Mr.Ibrahim Latheef	Director	Independent/Non-Executive	2nd March 2023-current
Mr. Mohamed Janah	Director	Independent/ Non-Executive	20th September 2020-24th December 2023
Mr. Mohamed Fathih	Director	Independent/ Non-Executive	30th June 2022-14th December 2023

# NOMINATION AND REMUNERATION COMMITTEE

From 1st January 2023- 31st December 2023

Name	Position	Classification	Appointments & Resignations
Ms. Aminath Azlifa	Director	Independent/ Non-Executive	30th June 2022-current
Ms. Aishath Fazeena	Director	Independent/ Non-Executive	20th September 2020-current
Ms. Aishath Leeza	Director	Independent/ Non-Executive	30th June 2022-current
Mr. Mohamed Fathih	Director	Independent/ Non-Executive	20th September 2020-14th December 2023

# CORPORATE GOVERNANCE AND COMPLIANCE COMMITTEE

From 1st January 2023- 31st December 2023

Name	Position	Classification	Appointments & Resignations
Ms. Asamy Rushdy	Director	Independent/ Non-Executive	20th September 2020 to current
Ms. Aminath Azlifa	Director	Independent/ Non-Executive	30th June 2022-current
Ms. Aishath Leeza	Director	Independent/ Non-Executive	30th June 2022-current
Mr. Ibrahim Latheef	Director	Independent/ Non-Executive	2nd March 2023 - current
Mr. Mohamed Janah	Director	Independent/ Non-Executive	30th June 2022-24th December 2023



# DIRECTORS PROFILES



**Mr. Abdulla Faiz**  
Chairman  
*Non-Executive Director*

Mr. Abdulla Faiz, a leader with extensive experience in both government representation and private sector ventures, assumed the role of Director of the Board for MTDC on February 6, 2019, representing the government's interests. Shortly thereafter, on February 13, 2019, he was appointed Chairman of the Board, showcasing his exemplary leadership skills and strategic vision. Armed with a Master of Business Administration (MBA) from the Australian Institute of Business, Mr. Faiz brings a wealth of knowledge to his roles. His dedication to commerce is evident through his lifelong membership with the Chamber of Commerce and Industry of SAARC since 2001, as well as his founding memberships in pivotal Maldivian organizations like the National Chamber of Commerce and Industry and the Maldivian Traders Association. Mr. Faiz's illustrious career includes significant positions such as Chairman of the Board at State Trading Organization (STO), Managing Director of ADK Shipping and Trading, and Company Director to the Chairman of Villa Trading Company, GM at Kuehne + Nagel, among others. His extensive involvement underscores his commitment to advancing the economic landscape of the Maldives and beyond.



**Mr. Ahmed Niyaz**  
Managing Director  
*Executive Director*

Mr. Ahmed Niyaz, an accomplished leader with a diverse background, assumed the role of Managing Director of MTDC on November 28, 2023, bringing with him a wealth of experience in both public and private sectors. Prior to his appointment, Mr. Niyaz held prominent positions including Chairman of the Board of Directors at Maldives Transport and Contracting Company Pvt Ltd, and Chairman of the Board of Directors of State Trading Organization (STO), showcasing his strategic acumen and leadership capabilities. His academic credentials include a Master of Business Administration from Cardiff Metropolitan University, complemented by a Diploma in Directorship from the Singapore Institute of Directors of Singapore Management University. Mr. Niyaz's educational journey began with a Degree in Political Science and Sociology, laying a strong foundation for his career in governance and administration. Beyond academia, he has honed his skills through various short courses and workshops in Project Management, Leadership Training, and Director Trainings, demonstrating his commitment to continuous learning and professional development. With a versatile skill set and a proven track record of success, Mr. Niyaz is poised to steer MTDC towards continued growth and success in the dynamic business landscape of the Maldives.



**Mr. Thazmeel Abdul Samad**  
Former Managing Director  
*Executive Director*

Mr. Thazmeel Abdul Samad, began his tenure as a government-appointed director on the board on January 24, 2019, showcasing his commitment to public service. His dedication and expertise led him to serve as Managing Director and Board member from January 31, 2019, to November 28, 2023, contributing significantly to the organization's growth and strategic direction. With a Master's in Business Administration (MBA) from Anglia Ruskin University, UK, Mr. Thazmeel brings a blend of academic rigor and practical insight to his roles. Prior to his appointments, he held key positions such as media coordinator and spokesperson for the Ministry of Home Affairs, demonstrating his proficiency in communication and public relations. Additionally, his international engagements include serving as a member of the SAARC Information Center's Governing Board in Nepal, highlighting his commitment to regional collaboration and development. With a background as Assistant Manager of Haveeru Daily and having completed an Executive Development Program from Singapore Management University, Mr. Thazmeel's diverse experiences equip him with a holistic understanding of business, media, and public administration, making him a valuable asset to any organization.



**Mr. Hussain Haneef**  
Deputy Managing Director  
*Executive Director*

Mr. Hussain Haneef, a dedicated public servant and educator, joined the Board on December 24, 2023, representing the government's interests with a strong background in education and governance. His academic foundation includes a Degree in Economics, Political Science, and Sociology, providing him with a comprehensive understanding of societal dynamics and economic principles. Additionally, Mr. Haneef furthered his expertise with a Diploma in School Management, which equipped him to serve as Headmaster in several schools across the atolls, demonstrating his commitment to educational excellence and leadership. Prior to his board appointment, he held the position of Deputy Minister of Education from 2013 to 2018, where he played a pivotal role in shaping educational policies and initiatives. With his wealth of experience in education and governance, Mr. Haneef brings valuable insights and a strong dedication to the development of MTDC and its stakeholders.





**Mr. Ibrahim Bassam Saeed**  
*Non-Executive Director*

Mr. Ibrahim Bassam Saeed, a dynamic addition to the board, was appointed on December 26, 2023, bringing with him a wealth of experience in business development and consulting. His educational background includes a Diploma in Business Administration from Segi College, Malaysia, acquired in 2010, providing him with a strong foundation in management principles and practices. Mr. Bassam's professional journey is marked by significant roles, notably as the Business Development Manager at Redleaf Pvt Ltd from 2016 to 2020, where he played a key role in driving growth and expansion strategies for the company. Additionally, his tenure as a Consultant at Villa Trading Pvt Ltd from 2021 to 2022 underscores his expertise in providing strategic guidance and solutions to businesses. With his blend of academic knowledge and practical experience, Mr. Bassam is poised to contribute valuable insights and strategic direction to the board, further enhancing the success and growth of MTDC.



**Ms. Aishath Fazeena**  
*Non-Executive Director*

Ms. Aishath Fazeena, a distinguished member of the board since June 9, 2022, brings a wealth of expertise in finance, education, and corporate governance to her role. Currently serving as an Accounting Executive at Waldives Pvt Ltd and holding a position as a Board Director at the Pension Administration Office, Ms. Fazeena's professional journey reflects her commitment to excellence and leadership. Prior to her current roles, she served as a full-time lecturer at the Maldives National University Business School and as a part-time lecturer at Villa College, demonstrating her dedication to nurturing future business leaders. Ms. Fazeena's extensive experience in corporate leadership includes directorship positions at State Trading Organisation Plc and Maldives Transport and Contracting Company Plc, where she contributed to strategic decision-making and organizational growth. Her academic qualifications include a Master of Business Administration (MBA) from the University of the West of England, Bristol, a Bachelor's Degree in Applied Accounting from Oxford Brookes University, UK, and an Executive Diploma in Directorship from Singapore Management University. Additionally, as an affiliate member of the Association of Chartered Certified Accountants (ACCA), Ms. Fazeena brings a strong foundation in accounting principles and practices to her board responsibilities. With her blend of academic rigor, professional experience, and commitment to excellence, Ms. Fazeena is poised to make valuable contributions to the success and growth of MTDC.



**Ms. Asamy Rushdy**  
*Non-Executive Director*

Ms. Asamy Rushdy is a dedicated professional renowned for her expertise in the financial and procurement sectors. With a Masters in Business Administration and an Executive Diploma in Board Directorship from Singapore Management University, she has cultivated a deep understanding of business management and administration, making her a valuable asset in strategic decision-making. Ms. Asamy's career spans over two decades, notably with the Bank of Maldives, where she played a pivotal role in its growth and success as the leading financial institution in the Maldives. Her extensive 12-year experience in procurement, backed by membership in the Chartered Institute of Procurement & Supply (CIPS), showcases her proficiency in sourcing and supply chain management. As a Director on the MTDC board representing public shareholders, Ms. Asamy brings a wealth of knowledge and a strategic vision aimed at driving growth and innovation. Her current role as Head of Business Development at Maldives Hajj Corporation Limited further underscores her ability to leverage her skills for organizational development and success. Additionally, Ms. Asamy is actively involved in providing training to corporate institutions, leveraging her knowledge and experience to enhance the skills and capabilities of professionals in the industry. Ms. Asamy's commitment to contributing to the development of key institutions within the Maldives is evident through her dedication and proven track record of delivering results. Her appointment to the MTDC board signifies her readiness to play a crucial role in shaping the organization's future and advancing its objectives for economic development and success in the Maldives.



**Ms. Aishath Leeza**  
*Non-Executive Director*

Ms. Aishath Leeza, a distinguished member representing the public, was elected to the MTDC board on June 9, 2022, bringing a wealth of expertise in academia, management, and consultancy. Currently serving as the Acting Dean of the Maldives National University Business School (MNUBS), Ms. Leeza has played a pivotal role in the fields of education and leadership development. As a senior lecturer at the Maldives National University Business School (MNUBS) since 2014 and formerly as the head of the management department, Ms. Leeza has showcased a steadfast commitment to education and management. She has also contributed as an advisory committee member at MNU Foundation Studies, furthering her impact on various educational initiatives. With a distinguished career spanning over fifteen years in management, Ms. Leeza has solidified her reputation as a trusted business consultant and corporate trainer. Her expertise has been instrumental in assisting organizations to optimize their operations and strategies, contributing to their growth and success. Ms. Leeza's academic achievements include the attainment of a Master of Business Administration (MBA) from Cardiff Metropolitan University, where she was honored with the prestigious President's Award for outstanding academic excellence in 2015. Currently, she is pursuing a PhD at the University of Peradeniya (PGIA), focusing her research on the Maldives' tourism sector—a critical industry for the nation's economy. She has published a number of research papers in these areas. Demonstrating a commitment to continuous professional development, Ms. Leeza has actively participated in numerous corporate governance and leadership training programs abroad. Notably, she completed the Directors Training Program conducted by the Capital Market Development Authority (CMDA), further enhancing her skills and knowledge in governance practices. In her role as acting dean and board member, Ms. Leeza continues to shape the future generation of business leaders and contribute to the advancement of the business education landscape in the Maldives. Her appointment to the MTDC board underscores her unwavering dedication to fostering sustainable growth and development within the country's business sector.





### **Ms. Aminath Azlifa**

*Non-Executive Director*

Ms. Aminath Azlifa, a highly qualified and experienced professional, was appointed as a director of the MTDC Board of Directors on 09th June 2022, representing the public shareholders.

Ms. Azlifa, with a diverse educational background in business management, information technology, and marketing, brings a multidisciplinary perspective to her role. Azlifa's academic achievements include, Masters of Business Administration, Bachelor's of Business Administration from the University of Business and International Studies, Geneva, Switzerland, Associate Degree in Business Marketing and also a Diploma in Information Technology, reflecting her commitment to continuous learning and professional development.

Ms. Azlifa has further enhanced her skills through various short trainings conducted by the Civil Service Commission (CSC) and other agencies, including the Directors Training Programme conducted by the Capital Market Development Authority (CMDA). Additionally, she has completed numerous trainings abroad related to corporate governance, leadership, management, and finance, highlighting her dedication to excellence in leadership, management, and governance practices.

With twenty (20) years of management experience across different agencies, Ms. Azlifa currently serves as the Director at the National Bureau of Classification (NBC) and as the Managing Director/CEO of Galactic Private Limited and Executive Director of Maldives Real Estate and Construction Pvt. Ltd. (MARECO).

Her wealth of experience and expertise in management and leadership makes her a valuable asset to MTDC Board, where she contributes to the strategic direction and success of the organization.



### **Mr. Ibrahim Latheef**

*Non-Executive Director*

Mr. Ibrahim Latheef, elected to represent the public on the board on March 2, 2023, brings a wealth of expertise in business management and quality assurance to his role. Holding a Master of Business Administration (MBA) from the Open University of Malaysia and a BA (Hons) in Marketing from the University of Hertfordshire, Mr. Latheef's educational background underscores his strong foundation in business and marketing principles. Additionally, he is a chartered quality professional certified by CQI-IRCA and holds a Six Sigma Green Belt from the Six Sigma Management Institute, highlighting his commitment to quality management and process improvement. Furthermore, Mr. Latheef's professional accolades include being a chartered marketer and a Fellow member of the Chartered Institute of Marketing, demonstrating his expertise and leadership in the field. As the General Manager of Maldives Transport and Contracting Company Plc, Mr. Latheef has led various divisions, including Human Resources & Administration, Transport, and Logistical Operations, showcasing his extensive experience in organizational management and strategic leadership. With his diverse skill set and proven track record of success, Mr. Latheef is poised to make significant contributions to the MTDC board, driving forward its mission and objectives for the benefit of the public shareholders and stakeholders alike.



### **Mr. Mohamed Fathih**

*Non-Executive Director*

Mr. Mohamed Fathih, a seasoned professional with a strong background in finance and administration, served as a government representative on the Board from February 6, 2019, to December 14, 2023, showcasing his dedication to public service and governance. Armed with a Master's in Business Administration from the University of Bedfordshire (UK), a Bachelor of Commerce from Griffith University (Australia), and Diplomas in Business from HELP University (Malaysia) and Accounting from the Association of Accounting Technicians (AAT), Mr. Fathih possesses a comprehensive educational foundation in business and finance. His extensive tenure at State Electric Company Limited (STELCO) from 1994 to 2011 provided him with invaluable experience in managerial roles, further honing his skills in administration and operations. Currently serving as the Manager (Administration) at Allied Insurance Company, Mr. Fathih brings a wealth of expertise in financial management and organizational leadership to his role. With his impressive academic credentials and extensive professional experience, Mr. Fathih has made significant contributions to the organizations he has served and continues to be a valuable asset in driving success and growth.



### **Mr. Mohamed Janah**

*Non-Executive Director*

Mr. Mohamed Janah, a dedicated representative of the government, served on the Board from February 6, 2019, until December 26, 2023, demonstrating his commitment to public service and governance. With qualifications including an A.A.T and a Diploma in Computer Studies from Sri Lanka, Mr. Janah combines practical expertise with a strong foundation in finance and technology. Additionally, he has furthered his professional credentials by completing the Securities Dealers/Stock Brokers Certificate issued by the Capital Market Development Authority, underscoring his proficiency in financial markets. Since 1996, Mr. Janah has held various significant roles at Villa Shipping and Trading, culminating in his current position as Chief Funds Executive, where he oversees strategic financial operations. His longstanding tenure and diverse experiences equip him with valuable insights into business management and financial stewardship. With his dedication to excellence and wealth of expertise, Mr. Janah has made and continues to make significant contributions to the organizations he serves.



# SENIOR MANAGEMENT PROFILE



**Mr. Ahmed Niyaz**  
Managing Director

Mr. Ahmed Niyaz joined MTDC on 5th November 2007. He attended Cardiff Metropolitan University where he completed his Masters of Business Administration. Moreover, he completed a Diploma in Directorship from Singapore Management University's Institute of Directorship. Furthermore, he also has a Bachelors in Economics, Political Science and Sociology. Mr. Niyaz also has a Diploma in School Management and had spent over 10 years in the education sector, where he was a Headmaster of multiple schools in the Atolls. Aside from the above mentioned educational qualifications Mr. Niyaz has completed multiple short courses in both Maldives and abroad in areas such as Project Management, Leadership training and Director's training.



**Mr. Thazmeel Abdul Samad**  
Former Managing Director  
(31st January 2019 to 28th November 2023)

Mr. Thazmeel Abdul Samad, appointed as the Managing Director on January 31, 2019, brings a wealth of expertise in business administration and governance to his role. Holding a Master's in Business Administration (MBA) from Anglia Ruskin University, UK, Mr. Thazmeel's academic background underscores his strong foundation in business management principles. Additionally, he has enhanced his skills through multiple short courses in Board Directors skill programs, showcasing his commitment to continuous learning and professional development in corporate governance. Mr. Thazmeel's international experience includes serving as a member of the SAARC Information Center's Governing Board stationed in Nepal from 2014 to 2018, where he contributed to regional collaboration and development initiatives. With his blend of academic qualifications, practical skills, and international experience, Mr. Thazmeel is well-equipped to lead MTDC in achieving its strategic objectives and fostering sustainable growth.



**Mr. Hussain Haneef**  
Deputy Managing Director

Mr. Hussain Haneef joined MTDC on 24th December 2023. Mr. Haneef holds a Bachelor's Degree from the University of Mysore, a testament to his academic prowess and dedication to continuous learning. His academic foundation, coupled with his extensive experience in the education sector of Maldives, makes him a valuable asset to our team. Throughout his career, Mr. Haneef has demonstrated a strong commitment to educational excellence and leadership. His contributions to the education sector have been instrumental in shaping policies and initiatives aimed at enhancing the quality of education in our community.



**Mr. Ibrahim Latheef**  
Chief Financial Officer

Mr. Ibrahim Latheef, a distinguished professional with a background in accounting and finance, commenced his journey with MTDC as a Financial Analyst on December 22, 2011, following the completion of his Association of Chartered Certified Accountants (ACCA) qualification. Demonstrating his proficiency and dedication, Mr. Latheef swiftly rose through the ranks, being promoted to Finance Manager on April 20, 2014. Recognizing his capabilities, he assumed the role of Acting Chief Financial Officer on April 24, 2016. Finally, on May 21, 2017, Mr. Latheef was officially appointed as the Chief Financial Officer of MTDC. Throughout his tenure, Mr. Latheef's expertise and leadership have been instrumental in steering the financial operations of MTDC, ensuring sound fiscal management and strategic decision-making. His commitment to excellence and continuous professional development make him a valuable asset to the organization.



**Mr. Islah Shareef**  
General Manager, Corporate Affairs

Mr. Islah Shareef, a dedicated professional with a strong background in business administration, has been an integral part of MTDC since May 16, 2006. Holding both a Diploma and Degree in Business Administration, Mr. Islah has accumulated over 16 years of experience in the general administrations department. His tenure at MTDC has been marked by significant contributions to the organization's growth and success. As an Administrator, Mr. Islah has played a crucial role in various key initiatives, including the successful execution of MTDC's first resort project and the establishment of MTDC's main office. His administrative expertise and attention to detail were instrumental in providing essential support throughout these endeavors, ensuring smooth operations and timely completion. Additionally, Mr. Islah played a pivotal role in facilitating MTDC's transition to a publicly traded company, offering invaluable administrative assistance to ensure a seamless process. His dedication and commitment to excellence have undoubtedly contributed to MTDC's success, making him a valued member of the organization.



**Ms. Fathimath Thahany Shihab**  
General Manager, Business Development

Ms. Fathimath Thahany Shihab, a dedicated professional with a Bachelor's Degree in International Business and Marketing, has been an integral part of MTDC since April 1, 2007. Over the past 16 years, Ms. Fathimath Thahany Shihab has made significant contributions to the company, leveraging her expertise in international business and marketing to support MTDC's growth and success. As a committed member of the team, she has played a vital role in various aspects of the company's operations, demonstrating her dedication and commitment to excellence. Ms. Fathimath Thahany Shihab's contributions have undoubtedly played a key role in MTDC's achievements, making her a valued asset to the organization.





**Mr. Mohamed Shaameen**  
General Manager, Operations and Monitoring

Mr. Mohamed Shaameen joined MTDC on 13th February 2024. Mr. Mohamed Shaameen brings a wealth of experience and expertise to his role as Operations Manager at MTDC. With four years of valuable experience at Atoll Market Pvt Ltd, he has honed his skills in optimizing business processes and enhancing operational efficiency. His educational background, including a Master of Business Administration and Bachelor of Business Administration from the University of Allahabad, underscores his commitment to excellence in business management. Mr. Shaameen's track record speaks for itself, demonstrating his ability to drive strategic planning, manage teams effectively, and implement process improvements that contribute to organizational success. His results-focused approach aligns well with MTDC's goals, and his addition to the team is sure to further strengthen the company's operational capabilities.



**Mr. Fizan Abdulla**  
Manager, Finance

Mr. Fizan Abdulla, a seasoned professional with over 16 years of experience in finance and accounting, has been an invaluable member of MTDC since November 21, 2006. Prior to joining MTDC, Mr. Fizan gained valuable experience at Maldives Airports Company Limited (MACL), honing his skills in financial management and accounting practices. His educational background includes a Bachelor's Degree in Accounting and Finance from Maldives National University, providing him with a solid foundation in financial principles. Additionally, Mr. Fizan furthered his academic qualifications by obtaining a Master of Science in Accounting and Financial Management from the University of the West of England. With his extensive experience and comprehensive education, Mr. Fizan plays a crucial role in ensuring the financial health and stability of MTDC, contributing to its continued success and growth.



**Ms. Mariyam Leena Ali**  
Company Secretary

Ms. Mariyam Leena Ali, a seasoned media professional, has been an integral part of MTDC since April 1, 2013, bringing with her over 16 years of valuable experience in the field of media. Prior to joining MTDC, Ms. Leena honed her skills and expertise as part of the team at Television Maldives (TVM), gaining insights into media production, management, and communication strategies. Her educational background includes a Bachelor of Arts degree as well as a Post Graduate Diploma in Business Administration from the University of Mysore, providing her with a solid foundation in both media studies and business management.

# 2023 YEAR IN REVIEW

## FINANCIAL REVIEW OVERVIEW

The company experienced significant volatility in its financial performance in 2023 compared to 2022. The major factors contributing to this volatility include decisions related to the development of Hdh. Nagoashi and changes in regulations that significantly reduced the company's liabilities.

## BUSINESS SEGMENTS

The company's business segments remained consistent with 2022, with the primary revenue source being subleased properties, except for Hdh. Nagoashi. The company decided to terminate the sublease of Hdh. Nagoashi and reclassify it as an investment property

## REVENUE AND PROFIT REVENUE

Decreased by 9% from the previous year, primarily due to the termination of the Hdh. Nagoashi sublease

## GROSS PROFIT

Decreased by 9%, with no significant change in interest expense on lease liabilities while the revenue reduced by 9%

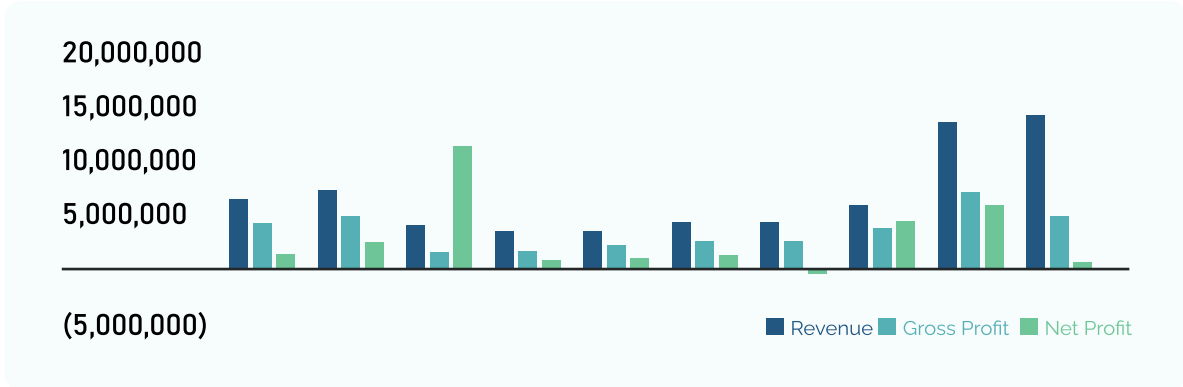
## PROFIT BEFORE TAX

Reduced by 16% to US\$ 2.4 million, due to net losses on the disposal of assets, lease-related decisions, and regulatory changes

## NET PROFIT

Declined by 41.2% to US\$ 1.47 million, impacted by deferred tax liabilities

## PROFITABILITY



## SHAREHOLDERS' EQUITY

Increased slightly from US\$ 51.9 million to US\$ 52.0 million, representing a 0.28% growth, indicating a stable financial position without negative growth

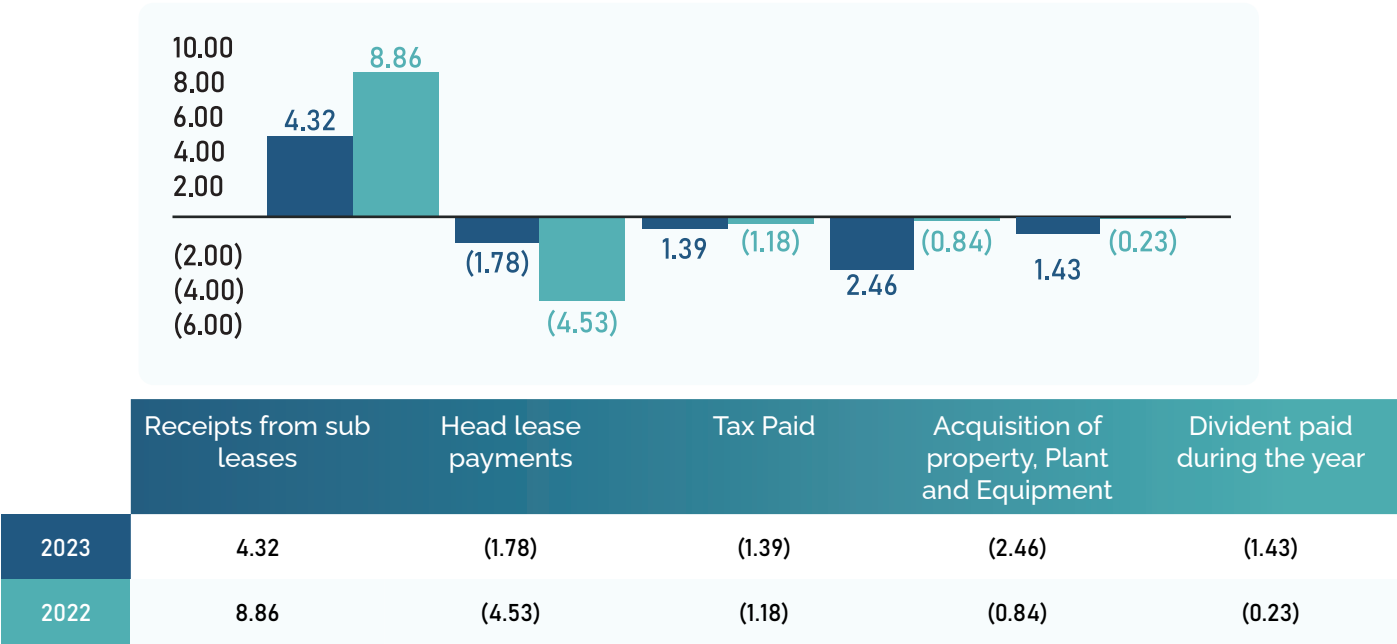


# LIQUIDITY POSITION

- Deteriorated due to investments in office building development and land acquisition in Hulhumale', payments on Lease rent, outflow on tax and dividends
- Expected to improve from 2025 onwards with recovery of deferred sublease receipts granted as COVID relief and revenues from the MTDC office building development starting in 2026

## CASH MOVEMENT ACTIVITY CHART

All figures are in USD Millions



# DIVIDEND

The Board of Directors is proposing a Dividend of MVR 0.60 per share

## DETAILED FINANCIAL PERFORMANCE

Item	2023 (USD)	2022 (USD)	Change (%)	Remarks
Revenue	6.7	7.3	-9%	Decrease due to termination of Hdh. Nagoashi sublease.
Gross Profit	4.4	4.8	-9%	No significant change in interest expense on lease liability
Profit Before Tax	2.47	2.95	-16.23%	Impacted by net loss on asset disposals and regulatory changes.
Net Profit	1.47	2.51	-41.20%	Impacted by deferred tax liabilities.

# IMPACT OF HDH. NAGOASHI

- The termination of the Hdh. Nagoashi sublease significantly impacted revenue and profit, suggesting that its continuation would have resulted in financial results as that of 2022

# FINANCIAL POSITION

## TOTAL ASSETS

Reduced by US\$ 9.5 million from the previous year, primarily due to the termination of the Hdh. Nagoashi sublease

## LIABILITIES

Reduced significantly from US\$ 44.6 million to US\$ 34.8 million, a 22% reduction, due to regulatory changes (Tourism Land Rent Regulation R-33/2022)

## NET ASSETS

Maintained a stable position due to the reduction in liabilities

# EARNINGS AND DIVIDEND

## DIVIDEND

Proposed at MVR 0.60 per share for 2023, consistent with 2022

## DIVIDEND HISTORY

Since 2020, after paying its first dividend in 10 years following a remarkable financial year in 2019, the company has maintained a constant dividend policy

## EARNINGS PER SHARE AND DIVIDEND PER SHARE



# ENVIRONMENT PROTECTION

MTDC believes that the vulnerable environment of the Maldives and the tourism industry are interlinked. Hence, MTDC places high importance in taking the required precautionary measures when dealing with the projects to ensure the environment is not affected negatively in any way possible. Before any project is conducted in the subleased islands we send in a group of experts who collect data and analyze the potential threats it could cause to the environment and the construction is conceptualized based on their advice.

# COMPANY'S SOCIAL RESPONSIBILITY (CSR)

USD 25,345.00 was spent towards social and welfare on various causes. This expenditure contributed to various social programs and initiatives aimed at improving welfare and addressing community needs. At MTDC we believe that upholding our responsibility to the community should always be prioritized. We aim to build a system through which the benefits and the profits are shared amongst the shareholders and to make it easily accessible for the general public to purchase the shares. Rather than focusing on something temporary and trivial, we aspire to build something that would be of a continuous benefit to the community. The reason MTDC was created was so that the public can get the benefits of the tourism industry.



# INVESTMENTS OF THE COMPANY

The tourism industry of Maldives has benefited the population from its introduction in the economy. MTDC is the first public listed company that strives to actively make the public a part of the lucrative industry. With the establishment of MTDC on 9th April 2006, the Government upheld the initiatives to engage the public in the tourism industry and made it accessible for the public to reap benefits from the notable profits shared.

Currently, MTDC is the only public company in the tourism industry that actively strives to make the public a part of the industry. MTDC has systems in place to ensure that its current investment portfolio aligns with the overall vision of the company.

## KHAVAH HURAVALHI, BAA ATOLL *[ANANTARA KHAVAH VILLAS]*

Khavah Huravalhi in Baa Atoll was leased to MTDC by the Government on 17th September 2006. Subsequently, MTDC entered into a Sublease Agreement for the island with Minor International Labuan Limited on 23rd October 2007. The developers successfully completed construction as a 5-star resort, under the name Anantara Kiahavah Villas in 2010, approximately 30 minutes away from Velana International Airport by seaplane. Khavah Huravalhi continues to boast a significant number of tourist arrivals annually.



## MAGUDHUVAA, GAAFU DHAALU ATOLL *[AYADA MALDIVES]*

Magudhuva in Gaafu Dhaalu Atoll was leased to MTDC by the Government on 17th September 2006. Subsequently MTDC established a Sublease Agreement for the island with a Turkish company, Ahmet Aydeniz on 24 October 2007. The resort was successfully constructed as a 5-star resort, under the name Ayada Maldives in 2011. The property is approximately 50 minutes by domestic flight to Gaafu Dhaalu Kaadedhoo domestic airport and a 30-minute speed boat ride to the resort. Ayada Maldives continues to successfully serve a notable number of tourist arrivals annually.





# ONGOING PROJECT DEVELOPMENT

## NAAGOASHI, HAA DHAALU ATOLL

Naagoashi is a resort that is being developed in Haa Dhaalu Atoll. The Government initially leased the island to MTDC on 17th September 2006. Whereby, MTDC entered into a Sublease agreement on 5th December 2007 with a locally registered company. However after constructing more than 30% of the resort development in 2016, this Sublease was terminated on the grounds of incomplete construction and failure to pay the Sublease rent by the Sublessee. Due to these same reasons, the Headlease for Naagoashi was also terminated in the same year.

A fresh Lease Agreement for Naagoashi was signed between MTDC and Government on 2nd July 2020. Subsequently, MTDC entered into a Joint Venture Partnership and Sublease Agreement for the development and operation of Naagoashi as a tourist resort. However, in August 2023 the Agreements were terminated as the Joint Venture Partner failed to honor the deadlines and meet the requirements stipulated therein.

Currently, MTDC with its own volition has taken initiatives to undertake the development of Naagoashi. The workplan for this development project has been completed and the detailed drawings are currently being finalized. Notably, an extension to the construction period for resort development has been granted by the Government until 26th November 2026. At the present moment, MTDC is in the process of undertaking different studies to assess the situation on the island, during which time the company wishes to finalize any available opportunities for a development and operation partnership.

## MTDC OFFICE COMPLEX

MTDC is proud to inaugurate the first commercial building under the company's ownership. The Land Sale Agreement with Housing Development Corporation (HDC) was signed on 30th May 2022 to build the office complex in phase 1 of Hulhumale' located in Lot no. 11634, right across the Central Park. The size of the plot of land is 6194 square feet.

Within the same month of signing the Land Sale Agreement, MTDC appointed Gedor Consulting Pvt Ltd as the Project Management party to perform the duties of Design Consultancy (development of concept and detail drawings) and Project Management and Site Inspection Consultant. Gedor has attained a reputation that stands unparalleled in the Maldives with their esteemed construction management and design consultancy services.

To instigate construction of the MTDC Office Building, an Agreement was signed with Hunan No.6 Engineering company on 25th September 2023. Hunan No.6 Engineering Company is a well renowned company under the wing of Hunan Construction Engineering Group of China with successful projects under their vast and attractive portfolio. The highway link road between Hulhule' and Hulhumale' is one of their many notable projects in the Maldives.

MTDC's ten-story office complex attributes a full-height floor to ceiling glass building with a total of 2,205sqm floor area. Key developments that comprise of notable amenities from Ground floor café, basement floor parking lots, a convention hall on the first floor and remaining as office spaces. The project consists of an environmental design philosophy inclusive of crucial energy efficient considerations in the building. Remarkably, lighting luminaries with less energy, Low-E glass incorporations and thermal insulations are enveloped in the building. The purpose of MTDC encompassing an environmental design philosophy in the project is to lower the building's carbon footprint in its operational life.

Currently the project is in the preliminary stages of construction whereby an excavation permit has been obtained from HDC to commence the initial construction. MTDC envisions the development to be completed by the last quarter of 2025. With this project, MTDC's portfolio currently boasts an ongoing project of building a new office complex.



# CORPORATE GOVERNANCE

MTDC is continuously trying to implement the principles of corporate governance into the work environment to ensure that the work is done diligently in a responsible and a transparent way.

Ensuring that work is done according to the company's law, Corporate Governance Code, Listing Rules, CDOI regulations in a fair way ensuring the rights of all our stakeholders are protected which is always a priority of the board of Directors.

The duty of the shareholders of MTDC is to elect the board of Directors and Auditors and to ensure their actions and decisions are in accordance to the company's laws and principles, respecting the right of the stakeholders and shareholders alike.

The company's board of directors are selected according to the company's operational law where there will be 9 board directors in which the government will appoint 4 directors and the remaining 5 will be elected by shareholders.

Moreover, the process to appointing a Managing Director and a Chairman is that amongst the 4 directors appointed by the government. Names of the nominations for the post of Managing Director and Chairman will be handed over to the company's Nomination and Remuneration committee to analyze and research their qualifications and whether the 2 members recommended by the government are fit to be Managing Director and Chairman. Taking their analysis into consideration the members will only be appointed if the board of directors sees them as fit for the position.

MTDC is proud of the fact that we have abided by all the rules and regulations of the corporate governance code during the year 2023. We have ensured that set procedures and internal control system had been adhered to achieve this objective. External auditors and Internal auditors are appointed by the board with the recommendation of Audit Committee.

The reason that Nomination and Remuneration acts as a single committee is because the responsibilities of both committees are similar. Non-Executive Directors are briefed about the ideologies and vision of the main shareholders during the first day of being appointed. Currently no ED serves as a NED in any Company.

The Board of Directors discussed and resolved strategic issues of the company related to MTDC sublease islands, business and legal issues as well as issues related to MTDC properties. And these board decisions has been delegated to the management.

## CONFLICT OF INTEREST

In accordance with the conflict of interest policy, if any immediate family member of the Director holds a share in any other company this information must be shared within the company. It is the duty of the Company Secretary to ensure this information is noted and made aware of.

## RESPONSIBILITIES OF THE BOARD

According to the Company's Articles of Association, Corporate Governance, Listing Rules, CDOI regulations and the Maldives Financial Security Law, it is the responsibility of the board to do what is necessary, above and beyond the set regular meetings to attain the objectives of the company. Moreover to ensure the rights of the shareholders are protected, to set a business plan and financial plan for the company, finding the investors to achieve the basic fundamental needs of the company, searching ways to increase the annual dividend of the shareholders and to find solutions for potential problems and threats for the company by creating an internal control system are some of the highlighted responsibilities of the board. The decisions made by the board are used to make the decisions affecting the company, and it is these decisions that the senior management will bring a practical implementation to.

## APPOINTING MTDC'S BOARD OF DIRECTORS

According to the company's Articles of Association, the board of directors include a total of 9 directors of which 4 are appointed by the government and the remaining 5 are appointed through a vote during the Annual General Meeting (AGM) by the shareholders. The directors appointed by the government are selected by the Privatization and Corporation Board. Currently, MTDC employs 4 directors appointed by the government and 5 elected by the shareholders. We would also like to highlight that 4 amongst the 9 directors are female. There is no specific policy created about gender diversification amongst the directors of the Corporation. However we do follow the gender diversity in the corporate governance code established. And there has been no service contract created with any directors of the Company.

## RESPONSIBILITY OF THE CHAIRMAN

The Chairman's responsibility is following the company's Articles of Association, in accordance with the laws set to complete his term as the highest authority of the company and the board of directors and fulfill his duties.

## RESPONSIBILITY OF THE MANAGING DIRECTOR

Run the daily operations of the company according to the decisions made by the board of directors and take responsibility to ensure the tasks assigned are completed.



# TRANSACTIONS WITH GOVERNMENT OF MALDIVES

The government of the Maldives is the major shareholder of MTDC, there have been business negotiations and transactions held between the company and the government.

We invest on T bills when the government tenders the T bill invitation.

## TRANSACTIONS WITH DIRECTORS

There have not been any borrowings, or any capitalized interests in the past year. And no director and Managing Director have been given the opportunity to receive any securities from any company of their subsidiaries.

## SALARIES AND ALLOWANCES OF DIRECTORS

Directors and the Senior management is given a basic salary and a fixed allowance. The salaries are set considering the allowances given to the employees of the industry in accordance with the advice from the Nomination and Remuneration committee. During the year 2023, the total expenditure for salaries and allowances for the board of directors was MVR 1,558,045.14. The allowances are set such that, the directors get a director's fee worth MVR 12,000 and sitting allowance of MVR 1,000. The person appointed as the Chairman of the board will get a total allowance of MVR 20,000. The members of the sub-committees (Audit and Risk Management committee, Nomination and Remuneration committee and Corporate Governance and Compliance committee) will get a sitting allowance of MVR 1,000 for each sitting. There is no policy to give any directors neither a performance incentive nor a severance fee. And there is no service contract made.

Employees of the company are paid in basic salary and an allowances, considering the job market and the standard rules set when paying their employees. Considering that framework, any external allowances such giving the company shares to their employees as remuneration has not been approved. A bonus allowance was given in the year 2023. There has been a separate agreement created with the employees and MTDC regarding being made redundant and the notice applicable, the remuneration in such a case the employee is being let go in accordance with the rules and set guidelines of the employment laws. And also no stock option is offered.

# TOTAL SALARY AND ALLOWANCE OF DIRECTORS FOR THE YEAR 2023

1st January 2023– 31st December 2023

Name	Position	Classification	Total (MVR)
Mr. Abdulla Faiz	Chairman	Independent/ Non-Executive	256,000
Mr.Ahmed Niyaz	Managing Director	Executive	16,200
Mr. Thazmeel Abdul Samad	Former Managing Director	Executive	142,200
Mr. Hussain Haneef	Deputy Managing Director	Executive	3,709.67
Mr. Ibrahim Bassam Saeed	Director	Independent/ Non-Executive	2,322.58
Ms. Asamy Rushdy	Director	Independent/ Non-Executive	168,000
Ms. Aishath Fazeena	Director	Independent/ Non-Executive	172,000
Mr. Ibrahim Latheef	Director	Independent/ Non-Executive	137,903.22
Ms. Aminath Azlifa	Director	Independent/ Non-Executive	167,000
Ms. Aishath Leeza	Director	Independent/ Non-Executive	167,000
Mr. Mohamed Janah	Director	Independent/ Non-Executive	164,290.32
Mr. Mohamed Fathih	Director	Independent/ Non-Executive	161,419

## TOTAL REMUNERATION GIVEN TO MEMBERS OF THE SENIOR MANAGEMENT FOR THE YEAR 2023

Members of the senior management are given a basic salary, phone allowance and a fixed allowance. During the year 2023, the total expenditure spent as salaries and allowances for senior management employees totaled to MVR 2,233,751.87



# SHARES OWNED BY MEMBERS OF THE BOARD OF DIRECTORS AS OF 2023

Name	Position	Classification	Total (MVR)
Mr. Abdulla Faiz	Chairman	Independent/ Non-Executive	Nil
Mr.Ahmed Niyaz	Managing Director	Executive	550
Mr. Thazmeel Abdul Samad	Former Managing Director	Executive	Nil
Mr. Hussain Haneef	Deputy Managing Director	Executive	Nil
Mr. Ibrahim Bassam Saeed	Director	Independent/ Non-Executive	Nil
Ms. Asamy Rushdy	Director	Independent/ Non-Executive	308
Ms. Aishath Fazeena	Director	Independent/ Non-Executive	50
Mr. Ibrahim Latheef	Director	Independent/ Non-Executive	1100
Ms. Aminath Azlifa	Director	Independent/ Non-Executive	200
Ms. Aishath Leeza	Director	Independent/ Non-Executive	100
Mr. Mohamed Janah	Director	Independent/ Non-Executive	28,600
Mr. Mohamed Fathih	Director	Independent/ Non-Executive	1,100

# DIRECTOR'S ATTENDANCE

1st January 2023– 31st December 2023

There were 14 Board meetings and 2 Non-Executive Directors meetings held during 2023

Name	Position	Classification	Attendance
Mr. Abdulla Faiz	Chairman	Independent/ Non-Executive	14/14
Mr.Ahmed Niyaz	Managing Director	Executive	3/3
Mr. Thazmeel Abdul Samad	Former Managing Director	Executive	11/11
Mr. Hussain Haneef	Deputy Managing Director	Executive	1/1
Mr. Ibrahim Bassam Saeed	Director	Independent/ Non-Executive	0/0
Ms. Asamy Rushdy	Director	Independent/ Non-Executive	14/14
Ms. Aishath Fazeena	Director	Independent/ Non-Executive	14/14
Mr. Ibrahim Latheef	Director	Independent/ Non-Executive	13/13
Ms. Aminath Azlifa	Director	Independent/ Non-Executive	14/14
Ms. Aishath Leeza	Director	Independent/ Non-Executive	14/14
Mr. Mohamed Janah	Director	Independent/ Non-Executive	13/13
Mr. Mohamed Fathih	Director	Independent/ Non-Executive	13/13

# ATTENDANCE OF NON EXECUTIVE DIRECTORS MEETING

Name	Position	Classification	Attendance
Mr. Abdulla Faiz	Chairman	Independent/ Non-Executive	2/2
Ms. Asamy Rushdy	Director	Independent/ Non-Executive	2/2
Ms. Aishath Fazeena	Director	Independent/ Non-Executive	2/2
Mr. Ibrahim Latheef	Director	Independent/ Non-Executive	2/2
Ms. Aminath Azlifa	Director	Independent/ Non-Executive	2/2
Ms. Aishath Leeza	Director	Independent/ Non-Executive	2/2
Mr. Mohamed Janah	Director	Independent/ Non-Executive	1/1
Mr. Mohamed Fathih	Director	Independent/ Non-Executive	1/1



No Service contracts with a director proposed for election at next AGM were made in the year 2023. No such contract of significance subsisting during or at the end of the accounting period in which a director of the issuer or of any subsidiary was materially interested, either directly or indirectly. Also, no contract of significance between the issuer or any of its subsidiaries & a substantial shareholder or any subsidiaries were made. And no contract of significance for the provision of services to issuer and its subsidiaries by a substantial shareholder or any subsidiaries were made.

There were no major operations or subsidiaries during the financial year and there were no State subsidiary. Also there was no State Company's borrowing, no state interest capitalized by the issuer and its subsidiaries during the year.

There is no direct and indirect interests of each director and chief executive of the issuer in the equity or debt securities of the issuer or any subsidiary.

## SYSTEM TO DEAL WITH COMPLAINTS

The employees at MTDC have the option of sending anonymous letters to the board meetings in regards to an issue or complaint.

## EXTERNAL AUDITORS

During the year 2023, the entire external auditing of MTDC was conducted by KPMG. Other than auditing they were involved in financial advisory and tax advisory work in MTDC

## POLICY OF INTERNAL CONTROL

The policy of Internal Control in MTDC has been created in such a way that would reduce the risk of creating new policies and achieving them. The aim of creating an internal control system is so that

we would be able to identify potential threats and risk continuously and being able to tackling it beforehand. Company's internal audit function is outsourced and conducted annually due to less operations.

## INTERACTION BETWEEN THE SHAREHOLDERS

The company believes it is of utmost importance that there is a healthy interactive exchange of information between the company and its shareholders. So in order to be transparent and to provide the information about the company to its shareholders, the information is published in the Gazette and in the company's website and announced via the media. Also in accordance to the laws of Capital Market Development Authority's security being released, MTDC announces its quarterly reports every year and also gives the shareholders the full right to question the current board of directors and senior management during the Annual General Meeting (AGM).

## SUB-COMMITTEES OF THE BOARD OF DIRECTORS

In accordance to the corporate governance code, MTDC's board of directors are divided into the following sub-committees.

1. Nomination and Remuneration Committee
2. Audit and Risk management Committee
3. Corporate governance and Compliance Committee

According to the corporate governance code, taking into consideration the number of directors on the board, the Nomination and Remuneration has been decided to be made a single committee. There have been individual charters created for the committees, all given a name respective of their committee, (Nomination and Remuneration charter, Audit committee charter and Corporate Governance and Compliance charter) and are uploaded to the website so the shareholders are able to see it.

Looking into the details of the job description of the directors and what they do in the meetings conducted amongst them, they identify the current situation of the company as well as the financial status and look and discuss ways to improve the current condition and come about a decision on how the company will progress forward. And the decisions made are made to benefit the company and its shareholders alike.

In the meeting they discuss about the problems faced and how we can tackle them, employing people in order to run the business more efficiently and also give advice and discuss ways we can build and improve the islands leased out by the government. The decisions, the board members come to are often always overlooked by the sub-committees and their advice are taken into consideration. The same way advice from lawyers and professionals on the matter are taken into consideration whenever coming into a decision or conclusion.

Some of the decisions they make include, regarding the budget, regarding the assets of the company and the introduction of a senior post needed for the company. The decisions made by the board are discussed with the senior management, the people who later on implement them into the work force.

During 2023, the performance of the members of the board of directors were evaluated, such being the Chairman, Managing Director, Directors, committees and the Company Secretary.



# STATEMENT BY THE NOMINATION AND REMUNERATION COMMITTEE

## MAIN TASKS AND RESPONSIBILITIES OF THE NOMINATION AND REMUNERATION COMMITTEE

This committee was created to assist the board of directors in completing their duties and responsibilities.

The main responsibilities of the committee include:

- Assist in the recruitment of new directors and check the competing applicants have the necessary skills, experience or academic qualification to be eligible for the post.
- Check whether the board has been appointed according to the Company's Articles and continuously checks the work progress of the directors.
- Help establish the process through which Executive posts are to be hired and the standard needed to be filled by someone who is going to be appointed to such a role.
- Advice on the salary and allowances of Directors, Chief Officers and other senior management positions.

The nomination and remuneration's charter will be available to download in the company's website.

## FORMATION OF THE COMMITTEE

The committee is made up of 4 non-executive members. Other senior members of the management are welcome to join the session/meeting if they want to input any valuable information or advice.

## NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Classification	Appointments and Resignations
Ms. Aminath Azlifa	Director	Independent/ Non-Executive	30th June 2022- current
Ms. Aishath Leeza	Director	Independent/ Non-Executive	30th June 2022- current
Ms. Aishath Fazeena	Director	Independent/ Non-Executive	20th September 2020 -Current
Mr. Mohamed Fathih	Director	Independent/ Non-Executive	20th September-14th December 2023

During the year 2023 there has been a total of 5 meetings held for the Nomination and Remuneration committee

(1st January 2023– 31st December 2023)

Name	Position	Classification	Attendance
Ms. Aminath Azlifa	Director	Independent/ Non-Executive	5/5
Ms. Aishath Leeza	Director	Independent/ Non-Executive	5/5
Ms. Aishath Fazeena	Director	Independent/ Non-Executive	4/4
Mr. Mohamed Fathih	Director	Independent/ Non-Executive	5/5

The company's Chairman is selected amongst the 4 directors appointed by the government. That is why this position is not available for the public to apply for.

Currently, all the employees at MTDC are permanent staffs. However a foreign employee work under a contract. The allowance of giving the shares of the company to its employees or it being available for purchase for them is not currently available.

In the case of both a staff leaving the company or being let go, there should be at least 2 months prior notice given.

All personnel selected as a member of the senior management will be interviewed by the Nomination and Remuneration committee as a part of hiring them. The board, directors and committee will

assess the interview based on the criteria given by the management. For people applying to the board of directors, it is checked whether they are fit and capable for the role since 2015



# COMMITTEE'S ACTIONS

## ACTIONS TAKEN BY THE COMMITTEE DURING 2023

Establish the mainframe for salaries and allowances for employees and give advice regarding it. Check the eligibility and application of candidates who applied for the position of directors amongst the general shareholders.

The remuneration package of the employees consists of salary and allowances which were made referring to the laws and how the people in the industry and such are paid. A special bonus or share of the company is not given as a part of the remuneration package. These are made taking into consideration about the employment laws in Maldives. Each individual employee and MTDC will have a separate employment contract highlighting the procedures that will be carried out in the case the employee are being made redundant, the notice period, any forms of compensation etc.

Likewise, there is no performance linked incentive or severance fee that is paid to the directors. Moreover there is no service contract made.

The remuneration package in detail inclusive of all allowances of executive directors are not public, this is because of the heavy competition in the market and the possibility of a competitor offering better deals and taking them is present. However the salary of the executive directors will be mentioned.



Aminath Azlifa  
Chairperson  
Nomination and Remuneration Committee

# STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE

## ACTIONS TAKEN BY THE COMMITTEE DURING 2023

Main duties and responsibilities of the Audit and Risk Committee

This committee was created to help the board of directors achieve their goals and targets. The main responsibilities of the committee include:

Maintain company's financial records, internal control, and protecting the rights of the shareholders.

Ensuring a healthy communication amongst the senior management, Board of directors, Internal and External Auditors.

Check the integrity and transparency of the work done by the internal and external auditors.

Check whether the company is abiding the law and be on the lookout for potential losses and being vary and advising the board on how to overcome them.

The charter of audit and risk committee will be available in the website.

## FORMATION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The committee consists of 5 Non-Executive Directors. Other members of the senior management and board are welcome to join the sessions/meetings to input their knowledge and expertise.



# MEMBERS OF THE AUDIT AND RISK COMMITTEE

Name	Position	Classification	Appointments and Resignations
Ms. Aishath Fazeena	Director	Independent/ Non-Executive	20th September 2020 – Current
Ms. Asamy Rushdy	Director	Independent/ Non-Executive	30th June 2022 -Current
Mr. Ibrahim Latheef	Director	Independent/ Non-Executive	2nd March 2023 - Current
Mr. Mohamed Janah	Director	Independent/ Non-Executive	20th September 2020 – 24th December 2024
Mr. Mohamed Fathih	Director	Independent/ Non-Executive	30th June 2022 – 14th December 2024

In the year 2023, there was a total of 7 meetings held. And every discussion made in the committee was brought upon the attention of the Board of Directors. To ensure the shareholders know about the work done, the audit report was made public last year.

# ATTENDANCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

1st January 2023 – 31st December 2023

Name	Position	Classification	Attendance
Ms. Aishath Fazeena	Director	Independent/ Non-Executive	7/7
Ms. Asamy Rushdy	Director	Independent/ Non-Executive	7/7
Mr. Ibrahim Latheef	Director	Independent/ Non-Executive	6/6
Mr. Mohamed Janah	Director	Independent/ Non-Executive	7/7
Mr. Mohamed Fathih	Director	Independent/ Non-Executive	6/6

# MAIN ACTIVITIES OF THE AUDIT COMMITTEE

Highlights of 2023

- Check and revise the financial reports and statements of 2023
- Hire an internal auditor and make the necessary arrangements to pay them.
- Recommend an external auditor to the Board of Directors.
- Check and revise the quarterly financial records and year end statements.
- Revise the company's overall risk management and advice the board about the necessary amendments needed
- Reviewing the budget



Aishath Fazeena  
Chairperson  
Audit and Risk Management Committee



# STATEMENT BY THE CORPORATE GOVERNMENT AND COMPLIANCE COMMITTEE

## MAIN RULES AND RESPONSIBILITIES OF THE COMMITTEE

This committee was created to help the board of directors achieve their goals and vision within the company. The main responsibilities include:

- Ensuring the company is following the corporate governance code
- Advice the committees and the board about the best practices of corporate governance
- Ensuring the board and other committees check the charters annually and upgrade and make relevant changes
- Maintain the dividend sharing policy of the company
- Make sure the assessment and evaluation of the board is being carried out accordingly
- Check whether the newly appointed board members are given the orientation and the necessary trainings conducted by the N.R committee.
- Assure the information about the company is being given to the newly appointed members of the board

The full Charter of Corporate Governance and compliance committee will be available on MTDC's website.

## FORMATION OF THE CORPORATE GOVERNANCE AND COMPLIANCE COMMITTEE

The committee consists of 5 non-executive directors. Other members of the senior management and board are welcome to join the sessions/meetings to input their knowledge and expertise.

## MEMBERS OF THE CORPORATE GOVERNANCE AND COMPLIANCE COMMITTEE

Name	Position	Classification	Appointments and Resignations
Ms. Asamy Rushdy	Director	Independent/ Non-Executive	20th September 2020 – Current
Ms. Aminath Azlifa	Director	Independent/ Non-Executive	30th June 2022-current
Ms. Aishath Leeza	Director	Independent/ Non-Executive	30th June 2022-current
Mr. Ibrahim Latheef	Director	Independent/ Non-Executive	2nd March 2023-current
Mr. Mohamed Janah	Director	Independent/ Non-Executive	30th June 2022- 24th December 2023

During the year 2023, there was a total of 4 meetings held by this committee

## ATTENDANCE OF THE CORPORATE GOVERNANCE AND COMPLIANCE COMMITTEE

Name	Position	Classification	Appointments and Resignations
Ms. Asamy Rushdy	Director	Independent/ Non-Executive	4/4
Ms. Aminath Azlifa	Director	Independent/ Non-Executive	4/4
Ms. Aishath Leeza	Director	Independent/ Non-Executive	4/4
Mr. Ibrahim Latheef	Director	Independent/ Non-Executive	3/3
Mr. Mohamed Janah	Director	Independent/ Non-Executive	4/4



# MAIN ACTIVITIES OF CORPORATE GOVERNANCE COMPLIANCE COMMITTEE

## Highlights of 2023

- Checking whether the newly appointed board members have received their orientation
- Checking whether the trainings set by N.R Committee have given to the directors
- Ensuring whether the company is complying with the necessary laws and regulations (Corporate governance code, Listing rules, CDOI Regulations)
- Checking whether the other committees are complying and following their charters
- Making sure the company is following the principles of corporate governance
- Revising the 2021 Yearly report to ensure it meets the required guidelines of corporate governance.



Asamy Rushdy  
Chairperson  
Corporate Governance and Compliance Committee

# FUTURE PLANS OF MTDC

MTDC's foremost objective is to remain a profitable company that maximizes shareholders' wealth and continue to strive to become more successful in the long run.

The company's vision is to expand its market presence within the tourism industry, optimize operational efficiency, and foster a culture of continuous improvement to achieve the long-term strategic goal of significantly increasing the total asset value.

In the year 2023 MTDC has invested in thoroughly understanding the macro and micro factors influencing the company, and in order to increase the profitability, MTDC's Management and Board of Directors have worked with experts and consultants to explore new business opportunities and ventures. Further, to understand the market, a comprehensive macro analysis was conducted which enabled MTDC to identify substantial impacts and approaches that can be taken to mitigate the effect it has on the company. Namely, a PESTLE analysis was used to identify external environment in terms of Political, Economic, Social, Technological and Legal factors and how to shift the effect of it to a more favorable position for MTDC. For instance, deriving opportunities from each factor to moderate impact of threats. In addition to this, a TOWS matrix was used to analyze and put together Strengths, Weaknesses, Threats, and Opportunities. It enabled MTDC to formulate and improve strategies in the direction to take more advantage of opportunities in the market and minimize external weaknesses.

As a result of these analysis, MTDC was able to put together strategies in line with the company objectives to explore and invest in businesses which are divided into Primary and Secondary Strategies. The **Primary Strategies** which are imperative and falls within the next 1-3 years are summarized as follows:

## NAAGOASHI DEVELOPMENT

This is one of the most important and imminent strategies for MTDC, with a target to recommence development and construction within 2024 and complete the construction of the property by end of 2026. At present moment, MTDC is finalizing the financial and development plan and the company forecasts to commence construction by Quarter 3 of 2024.

## CITY HOTEL DEVELOPMENT

This will be one of the most promising primary strategies for the future of MTDC as it will allow the company to form strategic alliances and make high return investments within 5-7 years. It is noteworthy that currently there are no internationally reputed international players in the city hotel industry within the proximity of Greater Male' region. MTDC's vision is to create a competitive advantage by tapping into this market gap successfully, by partnering up with an international brand, and become a dominant player in it. MTDC is currently in the preliminary stages of finalizing the development and construction is due to begin in Q4 of 2024.

## DEVELOP/OPERATE NEW ISLAND OR LAGOON

This is another primary strategy, which also aligns with the fundamental objectives of MTDC, targeted to commence in 2025 with a vision to develop and operate a resort by MTDC. This would strengthen the investment portfolio and establish a strong position in the competitive market.



MTDC HOLIDAYS

This is a service currently in the process of finalization that would be offered by MTDC as a motive to tap into the bustling market of travel agencies in the Maldives. A comprehensive plan is underway to form a differentiated service with a unique selling proposition that could be offered to establish a strong entry into the market. This development plan is set to officiate towards the end of 2024.

HR DEVELOPMENT

This strategy is essential to strengthen the backbone of MTDC and align team development and with the strategic goals of the company. MTDC has integrated the development of employees into the primary and secondary strategies to build capacity of the workforce by providing opportunities of training schools and apprenticeship programs and create a strong team.

The **Secondary Strategies** which will be implemented mainly focuses on investments which will be carried out approximately after 4 years, that would drive growth further and facilitate MTDC to establish a stronger foothold in the market and possibly diversify. The strategies hereinunder broadly consist of conducting and hosting investment forums, events or expos related to the tourism industry to engage more customers and investors starting from 2027. Further, strategies include to develop a yacht marina or yacht operations in the year 2029 to add attractive projects into the portfolio of MTDC.

As detailed above, the future plans for the coming years will allow MTDC to drive growth, enhance operational & financial efficiency, and capitalize on emerging market opportunities. MTDC's Board of Directors and Management are confident that the company will continue to innovate, drive growth, and create value for the shareholders and communities of Maldives.

DIRECTOR'S DECLARATION

We want to ensure the work we have done during the year 2023 is in accordance with the corporate governance code, listing rules, security act, and within the company's rules and regulations. After revising the financial reports and statements, all relevant information has been made available to the shareholders.

The company's revenue statement, balance sheet, shareholder dividend, changes made to how the dividend is paid, and expenditures are all made according to the international financing reporting standard. In making the yearly report, if there is any explained in the report. After the date of the balance sheet being made, there has not been anything through which a change has had to be made to the numbers.



Abdulla Faiz  
Chairman



Ahmed Niyaz  
Managing Director



**MALDIVES TOURISM DEVELOPMENT CORPORATION PLC  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER 2023**

**MALDIVES TOURISM DEVELOPMENT CORPORATION PLC  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

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## Independent Auditors' Report To the Shareholders of Maldives Tourism Development Corporation PLC

### Qualified Opinion

We have audited the accompanying financial statements of Maldives Tourism Development Corporation PLC ("the Company"), which comprise the statement of financial position as at 31<sup>st</sup> December 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising a material accounting policies and other explanatory information set out in pages 5 to 37.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31<sup>st</sup> December 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

### Basis for Qualified Opinion

- As disclosure in Note 17 to the Financial Statements, the Company has recognized investment property at fair value amounting to US\$ 25,170,635/- as at 31<sup>st</sup> December 2023 and fair value gain of US\$ 6,050,000/- related to this investment property for the year ended 31<sup>st</sup> December 2023. Further, acquisition cost determined by management has been used for the calculation of fair value gain of US\$ 6,050,000/- included in the right of use asset of US\$ 15,630,635/- as at 31<sup>st</sup> December 2023. However, we were unable to determine accuracy, completeness and valuation of fair value gain of US\$ 6,050,000/- included in the carrying value of right of use asset and related deferred tax due to the absence of a valuation report. As a result, we were unable to determine whether any adjustments might be required to these financial statements as at and for the year ended 31<sup>st</sup> December 2023.
- As disclosed in Note 18 to the Financial Statements, the Company has recognized an impairment provision of US\$ 11,102,500/- on Equity Investment measured at FVOCI for the year ended 31<sup>st</sup> December 2023. This investment was initially recognized during the year ended 31<sup>st</sup> December 2021. According to IFRS 9, this investment is required to be carried at fair value and any fair value changes should be recognized in other comprehensive income in each year. However, the management couldn't assess the fair value in each year due to the lack of information and accordingly the Company has not recognized the relevant gain or loss arising from fair valuing in other comprehensive income in the financial statements of 2021 and 2022. Further, the management has decided to make full provision for the investment amount of US\$ 11,102,500/- and it has been recognized in profit or loss instead of recognizing the fair value loss in other comprehensive income during the year ended 31<sup>st</sup> December 2023. As a result, we were unable to determine whether any adjustments are required to the financial statements as at and for the year ended 31<sup>st</sup> December 2023 and corresponding comparative figures as at and for the year ended 31<sup>st</sup> December 2022.



## Independent Auditors' Report To the Shareholders of Maldives Tourism Development Corporation PLC (Continued)

### Basis for Qualified Opinion (Continued)

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Maldives, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's financial statements of the current period. These matters were addressed in the context of our audit of the Company's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

### Accounting for Leases and Lease modifications

Refer to Note 19 "Net Investment in Sub Leases" and Note 24 "Lease Liabilities" to the financial statements.

Risk Description	Our Response
<p>The Company has recorded net investment in sub leases amounting to US\$ 52,491,503/- and lease liabilities amounting to US\$ 23,165,203/- as at 31<sup>st</sup> December 2023.</p> <p>Further, the Company has recognized interest income arising from net investment in sub leases and interest expense arising from lease liabilities amounting to US\$ 6,702,727/- and US\$ 2,284,635/- respectively during the year ended 31<sup>st</sup> December 2023.</p> <p>In addition to that, the Company has recognized net loss on lease modification and derecognition amounting to US\$ 2,732,642/- during the year ended 31<sup>st</sup> December 2023.</p> <p>Accounting for leases and lease modifications is a key audit matter due to the significance of the net investment in sub leases and lease liabilities and their related interest income &amp; interest expense balances to the financial statements. Further, the adjustments and related disclosures arising from lease modifications are material to the Company's financial statements.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> <li>- Evaluating the appropriateness of selection and application of accounting treatments based on the requirements of IFRSs, our business understanding, and industry practice.</li> <li>- Obtaining an understanding and assessing the design, implementation, and operating effectiveness of management's key internal controls over the lease process.</li> <li>- Evaluating the contracts to assess whether the lease modifications have been appropriately identified as per the IFRSs requirements.</li> <li>- Involving of our internal IFRS specialist to review the lease modification adjustments in line with IFRS requirements.</li> <li>- Checking the mathematical accuracy of the lease computations, interest income and interest expense.</li> </ul>



### Key Audit Matters (Continued)

Risk Description	Our Response
	<ul style="list-style-type: none"> <li>- Performing substantive audit procedures over net investment in sub leases, lease liabilities, interest income, interest expense and net loss on lease modifications.</li> <li>- Assessing the adequacy of the disclosures in the financial statements.</li> </ul>

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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 when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board.

### 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 International Accounting Standards, 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, management is responsible for assessing the Company'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 or to cease operations, or has no realistic alternative but to do so.

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

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

### Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of these 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 current period and are therefore the key audit matters. We describe these matters in our auditors' 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.



Ali Muaaz  
Audit License No: ICAM-IL-FQ1  
For and on behalf of KPMG Maldives  
30<sup>th</sup> June 2024  
Male'



**MALDIVES TOURISM DEVELOPMENT CORPORATION PLC**  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 <sup>ST</sup> DECEMBER	Note	2023 US\$	2022 US\$
Revenue	6	6,702,727	7,342,830
Cost of Operations	7	(2,274,409)	(2,501,062)
<b>Gross Profit</b>		<u>4,428,318</u>	<u>4,841,768</u>
Administrative Expenses		(1,589,356)	(1,395,991)
Net Loss on Lease Modifications and Derecognition	8	(2,732,642)	-
Change in Fair value of Investment Property	17	6,050,000	-
Provision for Impairment of Investment in Equity Shares	18.1	(11,102,500)	-
Reversal of Payables to Government of Maldives	25	7,376,643	-
Fair Value Gain on Payable to Government of Maldives	25	305,210	-
<b>Results from Operations</b>		<u>2,735,673</u>	<u>3,445,777</u>
Finance Income	9	190,677	247,270
Finance Costs	10	(457,327)	(742,669)
<b>Net Finance Costs</b>		<u>(266,650)</u>	<u>(495,399)</u>
<b>Profit Before Tax</b>	11	<u>2,469,023</u>	<u>2,950,378</u>
Tax Expenses	12	(949,900)	(444,667)
<b>Profit for the Year</b>		<u>1,519,123</u>	<u>2,505,711</u>
<b>Other Comprehensive Income for the Year</b>		-	-
<b>Total Comprehensive Income for the Year</b>		<u>1,519,123</u>	<u>2,505,711</u>
<b>Basic Earnings Per Share</b>	13	0.045	0.074

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes which form an integral part of the Financial Statements of the Company set out on pages 9 to 37. The Report of the Independent Auditor is given on pages 1 to 4.

**MALDIVES TOURISM DEVELOPMENT CORPORATION PLC**  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
STATEMENT OF FINANCIAL POSITION


AS AT 31<sup>ST</sup> DECEMBER


	Note	2023 US\$	2022 US\$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	14	1,761,950	1,660,187
Right of Use Asset	15	89,129	133,699
Intangible Assets	16	169	7,162
Investment Property	17	25,170,635	-
Equity Investment Measured at FVOCI	18	-	11,102,500
Net Investment in Sub Leases	19	52,491,503	74,498,763
Deferred Tax Asset	12.2	-	5,776
<b>Total Non-Current Assets</b>		<u>79,513,386</u>	<u>87,408,087</u>
<b>Current Assets</b>			
Other Receivables	20	2,374,904	29,203
Short Term Investments	21	4,061,231	4,061,231
Cash and Cash Equivalents	22	917,754	5,010,491
Tax Receivable	27	95,665	-
<b>Total Current Assets</b>		<u>7,449,554</u>	<u>9,100,925</u>
<b>Total Assets</b>		<u>86,962,940</u>	<u>96,509,012</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	23	26,183,719	26,183,719
Share Premium	23.3	607,415	607,415
Retained Earnings		25,306,945	25,114,178
<b>Total Equity</b>		<u>52,098,079</u>	<u>51,905,312</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Lease Liabilities	24.4	22,665,531	24,737,592
Payables to Government of Maldives	25.1	6,802,904	12,077,728
Deferred Tax Liability	12.2	900,570	-
<b>Total Non-Current Liabilities</b>		<u>30,369,005</u>	<u>36,815,320</u>
<b>Current Liabilities</b>			
Lease Liabilities	24.4	499,672	458,551
Payables to the Government of Maldives	25.1	53,918	2,013,880
Trade and Other Payables	26	3,942,266	4,069,263
Tax Payable	27	-	1,246,686
<b>Total Current Liabilities</b>		<u>4,495,856</u>	<u>7,788,380</u>
<b>Total Liabilities</b>		<u>34,864,861</u>	<u>44,603,700</u>
<b>Total Equity and Liabilities</b>		<u>86,962,940</u>	<u>96,509,012</u>

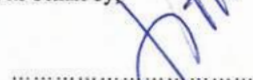
Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes which form an integral part of the Financial Statements of the Company set out on pages 9 to 37. The Report of the Independent Auditor is given on pages 1 to 4.

These Financial Statements were approved by the Board of Directors and signed on its behalf by:

  
Aishath Fazeena  
Chairperson of Audit and Risk  
Management Committee

  
Ahmed Niyaz  
Managing Director

  
Ibrahim Latheef  
Chief Financial Officer

30<sup>th</sup> June 2024



**MALDIVES TOURISM DEVELOPMENT CORPORATION PLC**  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER

	Share Capital US\$	Share Premium US\$	Retained Earning US\$	Total Equity US\$
As at 1 <sup>st</sup> January 2022	26,183,719	607,415	23,934,823	50,725,957
<i>Total Comprehensive Income for the Year</i>				
Profit for the Year	-	-	2,505,711	2,505,711
<i>Transactions with Owners of the Company</i>				
Dividends declared during the Year (Note 23.4)	-	-	(1,326,356)	(1,326,356)
As at 31 <sup>st</sup> December 2022	<u>26,183,719</u>	<u>607,415</u>	<u>25,114,178</u>	<u>51,905,312</u>
As at 1 <sup>st</sup> January 2023	26,183,719	607,415	25,114,178	51,905,312
<i>Total Comprehensive Income for the Year</i>				
Profit for the Year	-	-	1,519,123	1,519,123
<i>Transactions with Owners of the Company</i>				
Dividends declared during the Year (Note 23.4)	-	-	(1,326,356)	(1,326,356)
As at 31 <sup>st</sup> December 2023	<u>26,183,719</u>	<u>607,415</u>	<u>25,306,945</u>	<u>52,098,079</u>

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes which form an integral part of the Financial Statements of the Company set out on pages 9 to 37. The Report of the Independent Auditor is given on pages 1 to 4.

**MALDIVES TOURISM DEVELOPMENT CORPORATION PLC**  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER

	Note	2023 US\$	2022 US\$
<b>Cash Flows from Operating Activities</b>			
Profit Before Tax		2,469,023	2,950,378
<i>Adjustments for:</i>			
Interest Income on Net Investment in Sub Leases	6	(6,702,727)	(7,342,830)
Net Loss on Lease Modifications	8	2,732,642	-
Interest Income on Fixed Deposits	9	(190,677)	(180,625)
Interest Income on Treasury Bills	9	-	(66,645)
Depreciation of Property Plant and Equipment	14	39,549	35,680
Amortization of Right of Use Asset	15	44,570	44,566
Amortization of Intangible Assets	16	6,993	10,949
Change in Fair value of Investment Property	17	(6,050,000)	-
Provision for Impairment of Investment in Equity Shares	18	11,102,500	-
Interest on Lease Liabilities	24	2,284,635	2,514,882
Reversal of Payables to Government of Maldives	25	(7,376,643)	-
Interest on Amount Payable to the Government of Maldives	25	447,067	586,628
Fair Value Gain on Government Payable	25	(305,210)	-
<b>Operating Loss Before Working Capital Changes</b>		<u>(1,498,278)</u>	<u>(1,447,017)</u>
<i>Changes in :</i>			
Other Receivables		(22,701)	237
Trade and Other Payables		(25,593)	(20,743)
<b>Cash Used In Operating Activities</b>		<u>(1,546,572)</u>	<u>(1,467,523)</u>
<b>Cash Flows From Investing Activities</b>			
Receipts from Sub Leases	19	4,322,969	8,861,673
Head Lease Payments	24	(1,781,834)	(4,529,005)
Tax Paid	27	(1,385,905)	(1,181,702)
<b>Net Cash (Used In) / From Operating Activities</b>		<u>(391,342)</u>	<u>1,683,443</u>
<b>Cash Flows From Investing Activities</b>			
Acquisition of Property, Plant and Equipment	14	(141,312)	(841,926)
Advance payment to contractors	20	(2,323,000)	-
Net Movement in Fixed Deposits		190,677	143,087
Withdrawal of Treasury Bills		-	2,516,239
<b>Net Cash (Used In) / From Investing Activities</b>		<u>(2,273,635)</u>	<u>1,817,400</u>
<b>Cash Flows From Financing Activities</b>			
Dividend Paid during the Year		(1,427,760)	(234,031)
<b>Net Cash Used In Financing Activities</b>		<u>(1,427,760)</u>	<u>(234,031)</u>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>		<u>(4,092,737)</u>	<u>3,266,812</u>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>		<u>5,010,491</u>	<u>1,743,679</u>
<b>Cash and Cash Equivalents at the End of the Year</b>	22	<u>917,754</u>	<u>5,010,491</u>

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes which form an integral part of the Financial Statements of the Company set out on pages 9 to 37. The Report of the Independent Auditor is given on pages 1 to 4.



**MALDIVES TOURISM DEVELOPMENT CORPORATION PLC  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS**

**1. REPORTING ENTITY**

Maldives Tourism Development Corporation PLC (the "Company") is a Company incorporated and domiciled in the Republic of Maldives as a public limited liability Company. The Company is listed on the stock exchange of Maldives and governed under the Companies' Act No. 10 of 1996 of the Republic of Maldives with its registered office at the 1<sup>st</sup> floor, G. Fathruvehi, Buruzu Magu, Male, Maldives.

**Principal activities and nature of the operation**

The Company is primarily involved in subleasing the islands allotted to the Company by the Government of the Maldives.

**Number of employees**

The number of employees at the end of the reporting period was 16 (2022: 15).

**Authorization for issue**

The financial statements of the Company for the year ended 31<sup>st</sup> December 2023 were authorized for issue on 27<sup>th</sup> June 2024.

**2. BASIS OF PREPARATION**

**(a) Statement of Compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

**(b) Basis of Measurement**

The financial statements have been prepared on the historical cost basis except for Equity Investment Measured at FVOCI and Investment Property.

**(c) Functional and Presentation Currency**

These financial statements are presented in United States Dollars, which is the Company's functional currency. All financial information presented in United States Dollars has been rounded to the nearest Dollar.

The decision has been taken by the management of the Company to maintain the reporting currency as United States Dollars in the financial statements since most of the business transactions are dealt in United States Dollars.

**(d) Going Concern**

The Board of Directors have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations. Hence the financial statements have been prepared under the going concern basis

**MALDIVES TOURISM DEVELOPMENT CORPORATION PLC  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2. BASIS OF PREPARATION (CONTINUED)**

**(e) Use of Estimates and Judgements**

In preparing these financial statements, management has made judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

**a. Judgements**

Information about critical judgment in applying accounting policies that has the most significant effect on the amounts recognized in the financial statements is included in the respective notes.

- classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPP on the principal amount outstanding.
- recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

**b. Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties as at 31<sup>st</sup> December 2023 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 in the respective notes.

**i. Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follow.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



### 3. CHANGES IN MATERIAL ACCOUNTING POLICIES

The Company adopted Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practise Statement 2) from 1<sup>st</sup> January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. However, this change had not impact to the Company's financial statements for the year ended 31<sup>st</sup> December 2023.

In addition, a number of new standards are effective from 1<sup>st</sup> January 2023, but they do not have a material effect on the Company's financial statements.

### 4. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all accounting periods presented in these financial statements, except as disclosed in the Note 3

#### 4.1 Foreign Currency Transactions

Transactions in foreign currencies are translated into the respective functional currencies of companies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance costs.

#### 4.2 Revenue – Interest income on net investment in sub-lease

The Company generates revenue primarily from subleasing the right-of-use assets acquired under the head-lease arrangement. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured.

The Company recognizes a financial asset called "net investment in sub-lease" under IFRS 16 by discounting future rentals receivables from the sub-lessee at the initial recognition date. Investment in sub-lease is measured at amortized cost and interest income on investment in sub-lease is recognized in profit or loss as revenue using the effective interest method. Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

#### 4.3 Cost of operations – Interest expense on the lease liability

The Company incurs the cost of operations primarily for the right-of-use assets acquired under the head-lease arrangement. The Company recognizes financial liability called "lease liability" under IFRS 16 by discounting future lease rental payments at the initial recognition date. The lease liability is recognized at amortized cost and interest expense on lease liability is recognized in profit or loss as cost of operations using the effective interest rate method.

### 4. MATERIAL ACCOUNTING POLICIES

#### 4.4 Expenditure Recognition

Expenses are recognized in the statement of comprehensive income on the basis of direct association between the cost incurred and the earning of specific items of income. All expenditures incurred in the running of the business and in maintaining the property Plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

Expenditure incurred for the purpose of acquiring, expanding, or improving assets of 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.

#### 4.5 Income Tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

##### (i) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

##### (ii) 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 not recognized for Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognized for unused tax losses. Unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.



#### 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### 4.5 Income Tax (Continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

##### 4.6 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 labor, 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

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss 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.

#### 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### 4.6 Property, Plant and Equipment (Continued)

###### (iii) Depreciation (Continued)

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that 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:

Office Equipment	Over 05 Years
Other Equipment	Over 05 Years
Furniture, Fittings	Over 05 Years
Computer Equipment	Over 03 Years
Communication Equipment	Over 05 Years
Machinery	Over 10 Years

Depreciation methods, useful lives, and residual values are reviewed at each financial year-end and adjusted if appropriate.

A full month's depreciation is provided in the month of ready-to-use while, no depreciation is provided in the month of disposal.

###### (iv) Capital Work in Progress

Assets under construction as at the year-end represents the costs incurred or accrued for the assets which have not commenced the usage as at the year end.

##### 4.7 Investment Property

Investment properties 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 fair value on initial recognition and subsequently. Changes in fair values are presented in profit and loss as part of other income.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

In respect of the investment property under construction, the Corporation measures the work in progress at cost until the earlier of the date on which the fair value of the property can be measured reliably or the date on which the construction is completed.

##### 4.8 Intangible Assets

###### (i) Recognition and Measurement

Intangible assets that are acquired by 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 Company are recognized as intangible assets. Expenditures that enhance and extend the benefits of computer software programs beyond their original specifications and lives are recognized as a capital improvement and added to the original cost of the software.



#### 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### 4.8 Intangible Assets (Continued)

###### (ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill is recognized in profit or loss as incurred.

###### (iii) Amortization

Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of assets unless such lives are indefinite. The estimated useful lives for the current and comparative periods are as follows:

Computer software - Over 3 Years

##### 4.9 Financial Instruments

###### (i) Recognition and Initial Measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets are initially recognized when the 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) is initially measured at fair value plus, for an item not at Fair Value through Profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

###### (ii) Classification and subsequent measurement

###### Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, Fair Value through Other Comprehensive Income ("FVOCI") – Debt investment, FVOCI – equity investment or FVTPL.

Financial assets are not classified subsequent to their initial recognition unless the Company changes its business model for managing financial assets. In this case all affected financial assets are classified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Accordingly, the Company has irrevocably elected to present subsequent changes in fair value in OCI.

#### 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### 4.9 Financial Instruments (Continued)

###### (ii) Classification and subsequent measurement (Continued)

###### Financial assets (Continued)

Financial assets designated at FVOCI comprise Company's investments in equity shares.

###### Financial assets - Business Model Assessment

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 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.

###### Financial assets - Assessment of 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 of time and for other basic lending risks and costs as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Equity instruments have contractual cash flows that do not meet the SPPP criterion. Accordingly, all such financial assets are measured at FVOCI.

###### (iii) Financial assets - Subsequent Measurement and gains and losses

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 de-recognition is recognized in profit or loss.
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###### (iv) Financial liabilities – classification, subsequent measurement and gains and losses

Financial Liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.



#### 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### 4.9 Financial Instruments (Continued)

###### (iv) Financial liabilities – classification, subsequent measurement and gains and losses

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

###### (v) De-recognition

###### Financial assets

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 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 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.

###### Financial Liabilities

The Company de-recognizes a financial liability when its contractual obligations are discharged or canceled or expire. 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 the 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.

##### 4.10 Impairment

###### (i) Non-derivative financial assets

###### Financial instruments

The Company recognizes loss allowances for ECLs on financial assets (including lease receivables) measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment that includes forward-looking information.

#### 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### 4.10 Impairment (Continued)

###### (i) Non-derivative financial assets (Continued)

###### Financial instruments (Continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

###### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

###### Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit -impaired includes the following observable data:

- significant financial difficulty of the sub lessee.
- a breach of contract such as a default.
- it is probable that the debtor will enter bankruptcy or other financial reorganization.

###### Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

###### (ii) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets 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 CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.



**MALDIVES TOURISM DEVELOPMENT CORPORATION PLC  
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**4. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**4.10 Impairment (Continued)**

**(ii) Non-Financial assets (Continued)**

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.

**4.11 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.

**Share Premium**

Share premium represents the premium realized by issue of shares at a price above the par value.

**4.12 Leases**

At inception of a contract, an entity shall assess whether the 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 asset for a period of time in exchange for consideration.

**i. As a lessee**

At commencement or on modification of a contract that contains a lease component, 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 Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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 payments made at or before the commencement date, plus any initial direct costs 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.

The right-of-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 Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments 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 Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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**4. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**4.12 Leases (Continued)**

**i. As a lessee (Continued)**

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease.

The lease payments included in the measurement of the lease liability comprise the following,

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property as separately and lease liabilities separately in the statement of financial position.

**Short-term Leases and Leases of Low-value Assets**

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**ii. As a lessor**

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

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks 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.



#### 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### 4.12 Leases (Continued)

###### ii. As a lessor (Continued)

As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract. The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease. 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'.

##### 4.13 Events Occurring After the Reporting Date

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

##### 4.14 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When level one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

#### 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### 4.14 Fair Value Measurement (Continued)

Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

##### 4.15 Investments in Equity Securities

'Investments in equity securities' caption in the statement of financial position includes:

- equity investment securities designated as at FVOCI.

The Company elects to present changes in the fair value of investments in equity instruments that are not held for trading in OCI. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Fair value gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognized in profit or loss. Dividends are recognized in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognized in OCI. Cumulative gains and losses recognized in OCI are transferred to retained earnings on disposal of an investment.

##### 4.16 Defined contribution plan

Employees are eligible for Maldives retirement pension scheme in line with the respective statutes and regulations. The Company contributes 7% of basic salary of Maldivian employees to Maldives Retirement Pension Scheme.

##### 4.17 Other Liabilities and Provision

All known liabilities have been accounted for in preparing the financial statements. The materiality of the events after the reporting period have been considered and appropriate adjustments and provisions have been made in the financial statement where necessary.

Liabilities classified as current liabilities in the statement of financial position are those, which fall due for payment on demand or within one year from the end of the reporting period. Non-current liabilities are those balances, which fall due after one year from the end of the reporting period.

Provisions are recognized when the Company has a present obligation (legal or Constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income of any reimbursement.



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**5. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

A number of new standards are effective for annual periods beginning after 1<sup>st</sup> January 2023 and earlier application is permitted; however, the Company 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 Company's financial statements.

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lease Liability in a Sale and Lease back (Amendments to IFRS 16)
- Lack of Exchangeability (Amendments to IAS 21)

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	2023 US\$	2022 US\$
<b>6 REVENUE</b>		
Interest Income on Net Investment in Sub Leases (Note 19)	6,702,727	7,342,830
	<u>6,702,727</u>	<u>7,342,830</u>
<b>7 COST OF OPERATIONS</b>		
Interest Expense on Lease Liabilities (Note 24.3)	2,274,409	2,501,062
	<u>2,274,409</u>	<u>2,501,062</u>
<b>8 NET LOSS ON LEASE MODIFICATIONS AND DERECOGNITION</b>		
	2023 US\$	2022 US\$
Gain on Modification of Lease Liabilities (Note 24.2)	2,533,741	-
Loss on Derecognition of Net Investment in Sub Leases (Note 8.1)	(5,266,383)	-
	<u>(2,732,642)</u>	<u>-</u>
<b>8.1</b> The Company has derecognized Net Investment in Sublease related to Nagoashi Island with effect from 26 <sup>th</sup> August 2023 as a result of termination of sublease agreement. On the derecognition of net investment in sublease, the Company has recognized the Right of Use Assets and the Improvements on leasehold land as an Investment property as at 31 <sup>st</sup> December 2023. The net loss arising from this transaction is given below.		
	2023 US\$	2022 US\$
Derecognition of Net Investment in Sub Lease (Note 19)	(24,387,018)	-
Recognition of Investment Property (Note 17)	19,120,635	-
	<u>(5,266,383)</u>	<u>-</u>
<b>9 FINANCE INCOME</b>		
	2023 US\$	2022 US\$
Interest Income on Fixed Deposits	190,677	180,625
Interest Income on Treasury Bills	-	66,645
	<u>190,677</u>	<u>247,270</u>
<b>10 FINANCE COSTS</b>		
	2023 US\$	2022 US\$
Interest on Amount Payable to the Government of Maldives (Note 25)	447,067	586,628
Interest on Bank Overdrafts	34	142,221
Interest on Lease Liability (Note 24.3)	10,226	13,820
	<u>457,327</u>	<u>742,669</u>
<b>11 PROFIT BEFORE TAX</b>		
	2023 US\$	2022 US\$
<i>Profit before tax is stated after charging all the expenses including the following:</i>		
Employee Salary and Benefits	454,723	419,187
Depreciation of Property Plant and Equipment	39,549	35,680
Amortization of Right of Use Assets	44,570	44,566
Directors Remuneration and Other Allowances	101,040	100,453
Professional Fees	59,085	70,759
Amortization of Intangible Assets	6,993	10,949



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12 TAX EXPENSES	2023 US\$	2022 US\$
<b>Income Tax</b>		
Current Tax Expense (Note 12.1)	43,554	444,211
<b>Deferred Tax</b>		
Origination of Temporary differences (Note 12.2)	906,346	456
	<u>949,900</u>	<u>444,667</u>

12.1 Reconciliation Between Accounting Profit and Taxable Income :	2023 US\$	2022 US\$
Accounting Profit Before Tax	2,469,023	2,950,378
Aggregate Disallowable Expenses	11,808,025	949,407
Aggregate Allowable Expenses	(13,954,263)	(905,953)
Tax-free threshold	(32,425)	(32,425)
Taxable Profit for the Year	<u>290,360</u>	<u>2,961,407</u>
Income Tax @ 15%	<u>43,554</u>	<u>444,211</u>

In accordance with the provisions of the Income Tax Act No. 25 of 2019, relevant regulations and subsequent amendments thereto, the Company is liable for income tax on its taxable profits at the rate of 15%.

12.2 Deferred Tax (Asset)/Liability	31/12/2023 US\$	31/12/2022 US\$
As at 1 <sup>st</sup> January	(5,776)	(6,232)
Origination during the Year	906,346	456
As at 31 <sup>st</sup> December	<u>900,570</u>	<u>(5,776)</u>

The provision for deferred tax is attributable to the following and the deferred tax is recognized at the rate of 15%.

	31/12/2023		31/12/2022	
	Temporary Difference US\$	Tax Effect US\$	Temporary Difference US\$	Tax Effect US\$
Property and Equipment	(46,190)	(6,930)	(38,508)	(5,776)
Fair Value Gain on Investment Property	6,050,000	907,500	-	-
	<u>6,003,810</u>	<u>900,570</u>	<u>(38,508)</u>	<u>(5,776)</u>

13 BASIC AND DILUTED EARNINGS PER SHARE

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

	2023	2022
Profit for the year - US\$	1,519,123	2,505,711
Weighted Average Number of Ordinary Shares	34,087,354	34,087,354
Basic Earnings Per Share - US\$	<u>0.045</u>	<u>0.074</u>
Dilutive Earnings Per Share - US\$	<u>0.045</u>	<u>0.074</u>

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14 PROPERTY, PLANT AND EQUIPMENT

	Land US\$	Office Equipment US\$	Other Equipment US\$	Furniture & Fittings US\$	Computer Equipment US\$	Communication Equipment US\$	Machinery US\$	Capital Work In Progress US\$	Total US\$
<b>Cost</b>									
As at 1 <sup>st</sup> January 2023	1,490,354	22,512	5,218	150,375	108,094	11,385	14,475	58,029	1,860,442
Additions during the Year	56,294	324	-	1,022	8,854	-	-	74,818	141,312
As at 31 <sup>st</sup> December 2023	<u>1,546,648</u>	<u>22,836</u>	<u>5,218</u>	<u>151,397</u>	<u>116,948</u>	<u>11,385</u>	<u>14,475</u>	<u>132,847</u>	<u>2,001,754</u>
<b>Accumulated Depreciation</b>									
As at 1 <sup>st</sup> January 2023	-	20,230	4,599	70,579	89,053	9,219	6,575	-	200,255
Charge for the Year	-	1,188	140	22,824	13,284	665	1,448	-	39,549
As at 31 <sup>st</sup> December 2023	<u>-</u>	<u>21,418</u>	<u>4,739</u>	<u>93,403</u>	<u>102,337</u>	<u>9,884</u>	<u>8,023</u>	<u>-</u>	<u>239,804</u>
<b>Net Carrying Value</b>									
As at 31 <sup>st</sup> December 2023	<u>1,546,648</u>	<u>1,418</u>	<u>479</u>	<u>57,994</u>	<u>14,611</u>	<u>1,501</u>	<u>6,452</u>	<u>132,847</u>	<u>1,761,950</u>

14.1 The value of fully depreciated property, plant and equipment as at 31<sup>st</sup> December 2023 amounting to USD 145,675/-.

14.2 The capital work in progress mainly represent the cost incurred for construction of proposed head office building in Hulhumale'.



FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land US\$	Office Equipment US\$	Other Equipment US\$	Furniture & Fittings US\$	Computer Equipment US\$	Communication Equipment US\$	Machinery US\$	Capital Work In Progress US\$	Total US\$
<b>Cost</b>									
As at 1 <sup>st</sup> January 2022	-	22,120	4,516	120,960	99,883	11,385	14,475	-	273,339
Additions during the Year	1,490,354	392	702	29,415	8,211	-	-	58,029	1,587,103
As at 31 <sup>st</sup> December 2022	1,490,354	22,512	5,218	150,375	108,094	11,385	14,475	58,029	1,860,442
<b>Accumulated Depreciation</b>									
As at 1 <sup>st</sup> January 2022	-	19,126	4,516	50,307	76,786	8,714	5,126	-	164,575
Charge for the Year	-	1,104	83	20,272	12,267	505	1,449	-	35,680
As at 31 <sup>st</sup> December 2022	-	20,230	4,599	70,579	89,053	9,219	6,575	-	200,255
<b>Net Carrying Value</b>									
As at 31 <sup>st</sup> December 2022	1,490,354	2,282	619	79,796	19,041	2,166	7,900	58,029	1,660,187

14.1 The value of fully depreciated property, plant and equipment as at 31<sup>st</sup> December 2022 amounting to USD 129,590/-.

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15	RIGHT OF USE ASSET	31/12/2023 US\$	31/12/2022 US\$
	<b>Cost</b>		
	Opening Balance	222,831	222,831
	Closing Balance	222,831	222,831
	<b>Accumulated Amortization</b>		
	Opening Balance	89,132	44,566
	Amortization for the Period	44,570	44,566
	Closing Balance	133,702	89,132
	<b>Net Carrying Value</b>	89,129	133,699

15.1 The Company has recognized the right-of-use asset for the leasehold of the first floor of the MATI Building, located at Male' 20094, Republic of Maldives. As of 31<sup>st</sup> December 2023, the lease term has 2 years remaining.

16	INTANGIBLE ASSETS	31/12/2023 US\$	31/12/2022 US\$
	<b>Cost</b>		
	Opening Balance	33,984	33,984
	Closing Balance	33,984	33,984
	<b>Accumulated Amortization</b>		
	Opening Balance	26,822	15,873
	Amortized during the Year	6,993	10,949
	Closing Balance	33,815	26,822
	<b>Net Carrying Value</b>	169	7,162

16.1 The intangible assets are amortized over the period of 3 years from the month of capitalization.

17	INVESTMENT PROPERTY	Right of Use Asset US\$	Leasehold Improvements US\$	31/12/2023 US\$	31/12/2022 US\$
	As at 1 <sup>st</sup> January	-	-	-	-
	Recognized during the year	9,580,635	9,540,000	19,120,635	-
	Fair value gain for the year	6,050,000	-	6,050,000	-
	As at 31 <sup>st</sup> December	15,630,635	9,540,000	25,170,635	-

17.1 Investment Property consist of Right of Use Asset relating to the Naagoashi Island and the leasehold improvement on the Island. Due to the termination of sublease on 26<sup>th</sup> August 2023, the Company has recognized the respective Right of Use Assets and leasehold improvement as investment property as at 31<sup>st</sup> December 2023 since the management purpose is to sub lease the right of use asset and the leasehold improvements in near future.

The Right of Use Asset comprises of the present value of future lease payment amounting to US\$ 9,580,635/- as at the recognition date. The management has assessed the fair value of ROU asset as at 31<sup>st</sup> December 2023 and recognized a gain of US\$ 6,050,000/- for the year ended 31<sup>st</sup> December 2023. The present value of future lease payments and the acquisition cost determined by the management has been used for the calculation of fair value as at 31<sup>st</sup> December 2023.

The value of leasehold improvements amounting to US\$ 9,540,000/- has been determined by an independent valuer engaged by Earnest and Young and the fair value hierarchy, valuation technique and significant unobservable inputs are given below.

17.2 Fair value hierarchy

The fair value of leasehold improvements has been determined by an external, independent valuation firm, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued. The valuation report was issued on 12<sup>th</sup> January 2024.

The fair value measurement for the property has been categorized as a Level 3 fair value measurement based on the inputs to the valuation technique used.



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17 INVESTMENT PROPERTY (CONTINUED)

Valuation technique and significant unobservable inputs

The following table shows the valuation technique use in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable key inputs	Inter-relationship between the key unobservable inputs and fair value measurement
The valuation model considers the cost approach since the property is an abandoned project and the demand shall be based on typical market participant concept of the design configuration and the target market segment. Therefore, the demand for the structures as they stand shall be discounted for the investment criteria and the state condition and design material in the structures.	Cost of Construction per Villa : USD 250,000/- to USD 350,000/-  Remediation & Contingencies : 20% from total cost  Costs are adjusted for removal of detective elements remedial work and mobilization costs including P&G.	The estimated fair value would increase (decrease) if:  - the cost of construction per villa or Island rent changes  - the remediation & Contingenceis rate changes  - the remedial work and mobilization costs changes

18 EQUITY INVESTMENT MEASURED AT FVOCI	31/12/2023 US\$	31/12/2022 US\$
Opening Balance	11,102,500	11,102,500
Provision for Impairment (Note 18.1)	(11,102,500)	-
Closing Balance	-	11,102,500
18.1 Provision for Impairment	31/12/2023 US\$	31/12/2022 US\$
As at 1 <sup>st</sup> January	-	-
Provision made during the year (Note 18.2)	11,102,500	-
As at 31 <sup>st</sup> December	11,102,500	-

18.2 The Company has recognized its investment in Global Resort and Development Maldives Private Limited as at 31<sup>st</sup> December 2022. The recognised investment amounts to US\$ 11,102,500/-, by transferring the capital work in progress of Naagoashi Island during the year ended 31<sup>st</sup> December 2021. The investment represents the 15% equity interest in Global Resort and Development Maldives Private Limited.

During the year 2023, the Company has made full provision for impairment by reassessing the recoverability of the investment considering the termination of sublease agreement between the Company and the Global Resort and Development Maldives Private Limited.

19 NET INVESTMENT IN SUB LEASES	31/12/2023 US\$	31/12/2022 US\$
Opening Balance	74,498,763	76,017,606
Derecognized during the Year (Note 19.1)	(24,387,018)	-
Interest Income for the Year	6,702,727	7,342,830
Receipts during the Year (Note 19.2)	(4,322,969)	(8,861,673)
Closing Balance	52,491,503	74,498,763

The net investment in sub leases consists the sub lease of Magudhuva and Kihavah Huruvahli as at 31<sup>st</sup> December 2023.

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19 NET INVESTMENT IN SUB LEASES (CONTINUED)

19.1 The Company has terminated the sublease agreement entered with Global Resorts and Development Maldives Private Limited (sub lessee) in relation to the Naagoashi Island on 26<sup>th</sup> August 2023 due to the substantial breaches of conditions in the sublease agreement by the sublease. The net loss from sub lease termination has been disclosed in Note 8.1 to the financial statements.

19.2 The Company has received a sublease extension fee of US\$ 5,064,203/- for Kihavah during the year ended 31<sup>st</sup> December 2022.

19.3 Maturity Analysis of Net Investment in Sub Leases	31/12/2023 US\$	31/12/2022 US\$
Non - Current Asset	52,491,503	74,498,763
	<u>52,491,503</u>	<u>74,498,763</u>

19.4 Reconciliation of Future Lease Rentals and Net Investment in Sub Leases	31/12/2023 US\$	31/12/2022 US\$
Undiscounted Lease Rentals (Note 19.5)	144,016,137	261,236,389
Unearned Interest Income	(91,524,634)	(186,737,626)
	<u>52,491,503</u>	<u>74,498,763</u>

19.5 Maturity Analysis of undiscounted lease rentals receipts are as follows;	31/12/2023 US\$	31/12/2022 US\$
Less than one Year	4,322,969	5,320,252
Between one to two Years	6,593,091	6,322,969
Between two to three Years	7,193,091	8,993,091
Between three to four Years	7,371,091	9,993,091
Between four to five Years	7,905,091	10,071,091
More than five Years	110,630,803	220,535,895
	<u>144,016,137</u>	<u>261,236,389</u>

20 OTHER RECEIVABLES	31/12/2023 US\$	31/12/2022 US\$
Advance Payments to contractors (Note 20.1)	2,352,863	28,710
Other Receivables	22,041	493
	<u>2,374,904</u>	<u>29,203</u>

20.1 Advance payments to contractors represents the advance payment made in relation to the construction of the new office building in Hulhumale.

21 SHORT-TERM INVESTMENTS	31/12/2023 US\$	31/12/2022 US\$
Fixed Deposits (Note 21.1)	4,061,231	4,061,231
	<u>4,061,231</u>	<u>4,061,231</u>

21.1 The Company has invested US\$ 4,000,000/- in fixed deposits in Habib Bank Limited during the year ended 31<sup>st</sup> December 2023 (2022: US\$ 4,000,000/- ) at the rate of 4.7% per annum which will be matured on 15<sup>th</sup> November 2024.

22 CASH AND CASH EQUIVALENTS	31/12/2023 US\$	31/12/2022 US\$
Cash in Hand	196	245
Balances with Banks	917,558	5,010,246
Cash and Cash Equivalents in the Statement of Financial Position	<u>917,754</u>	<u>5,010,491</u>

During the year 2023, the Company has renewed the bank overdraft facility of MVR 61,680,000/- from HBL Bank. However, the Company has not utilized the overdraft facility as at 31<sup>st</sup> December 2023.



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**23 SHARE CAPITAL**

**23.1 Authorized Share Capital**

The authorized share capital comprises 34,087,354 Ordinary shares of MVR 10 each.

**23.2 Issued Share Capital**

The issued and fully paid share capital comprises 34,087,354 (2021: 34,087,354 ) ordinary shares at a par value of MVR 10 per share (2021: MVR 10/- per share)

**23.3 Share Premium**

Share premium represents the premium realized by issue of shares at a price of MVR 12.85/- and MVR 15.42/- per share above the par value of MVR 10/-

**23.4 Dividend and Voting Rights**

The holders of the ordinary shares are entitled to receive dividend as declared from the time to time and are entitled to one vote per share at the shareholder's meeting of the Company.

The Board of Directors of the Company has declared the dividend amounting to US\$ 1,326,356/- during the year ended 31<sup>st</sup> December 2023 (2022 : 1,326,356/-).

**24 LEASE LIABILITIES**

	31/12/2023 US\$	31/12/2022 US\$
Opening Balance	25,196,143	27,210,266
Impact on modification during the Year (Note 24.2)	(2,533,741)	-
Interest Expense for the Year (Note 24.3)	2,284,635	2,514,882
Repayment during the Year (Note 24.7)	(1,781,834)	(4,529,005)
Closing Balance	<u>23,165,203</u>	<u>25,196,143</u>

**24.1** The lease liability has been recognized in relation to the following.

- Head lease arrangement of Kihavah, Magudhuva and Naagoashi Islands with the Government of Maldives
- Office building (MATI Building)

**24.2** During the year 2023, the Company has obtained 36 months extension for the construction of Nagoashi Island with effect from 22<sup>nd</sup> November 2023. As a result, lease payments were deferred up to 22<sup>nd</sup> November 2026 and lease liability has been modified to reflect these changes. The gain arising from lease modification has been recognized as an income for the year ended 31<sup>st</sup> December 2023.

**24.3 Interest Expenses Recognized in Profit or Loss is as Follows.**

	2023 US\$	2022 US\$
Recognized in Cost of Operations	2,274,409	2,501,062
Recognized in Finance Costs	10,226	13,820
	<u>2,284,635</u>	<u>2,514,882</u>

**24.4 Maturity Analysis**

	31/12/2023 US\$	31/12/2022 US\$
Non - Current Liabilities	22,665,531	24,737,592
Current Liabilities	499,672	458,551
	<u>23,165,203</u>	<u>25,196,143</u>

**24.5 Maturity Analysis of Undiscounted Future Lease Payments are as Follows;**

	31/12/2023 US\$	31/12/2022 US\$
Less than one Year	1,781,835	2,529,117
Between one and five Years	10,321,058	11,018,389
More than five Years	72,116,725	72,701,228
	<u>84,219,617</u>	<u>86,248,734</u>

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**24 LEASE LIABILITIES (CONTINUED)**

**24.6 Amounts Recognized in Profit or Loss**

	2023 US\$	2022 US\$
Interest on Lease Liabilities	2,284,635	2,514,882
Amortization on Right of Use Assets	44,570	44,566
	<u>2,329,205</u>	<u>2,559,448</u>

**24.7 Amounts recognized in statement of cash flows**

	2023 US\$	2022 US\$
Lease Payments made during the Year	(1,781,834)	(2,029,005)
Lease Extension payment made during the Year	-	(2,500,000)
	<u>(1,781,834)</u>	<u>(4,529,005)</u>

**24.8 Extension options**

The leases contain extension options exercisable by the mutual agreement of the Company and the Government of Maldives.

**25 PAYABLES TO GOVERNMENT OF MALDIVES**

	31/12/2023 US\$	31/12/2022 US\$
Opening Balance	14,091,608	13,504,980
Interest for the Year	447,067	586,628
Reversal made during the Year (Note 25.2)	(7,376,643)	-
Fair Value Gain for the year (Note 25.3)	(305,210)	-
Closing Balance	<u>6,856,822</u>	<u>14,091,608</u>

**25.1 Maturity Analysis**

	31/12/2023 US\$	31/12/2022 US\$
Non - Current Liabilities	6,802,904	12,077,728
Current Liabilities	53,918	2,013,880
	<u>6,856,822</u>	<u>14,091,608</u>

**25.2** The Company has entered in to settlement agreements with the Government of Maldives as follows,

- As per the settlement agreement dated 2<sup>nd</sup> July 2020, the Company is liable to pay US\$ 2,335,709/- in connection with the lease agreement for Uligamu Island and an amount US\$ 10,869,896/- in connection with the lease agreement for Ekuhivaru Island.
- Under the settlement agreement dated 15<sup>th</sup> July 2021, the Company is liable to pay US\$ 1,195,818/- in connection with the lease agreement for Kihavah Island.

However, the Company has reversed the aforementioned payable balance relating to Uligamu Island and Ekuhivaru Island in accordance with Regulation Number R-33/2022 (Tourism Land Rent Regulation) issued by the Ministry of Tourism. Consequently, the revised payable balance related to Uligamu Island and Ekuhivaru Island as at 31<sup>st</sup> December 2023 is US\$ 6,940,207/-. Further, as per the due statements obtained from Maldives Inland Revenue Authority an amount of US\$ 221,825/- has been recognised as payable to government of Maldives in relation to the Magudhuvaa Island and Kihavah Island. This re-assessment resulted recognition of an income of US\$ 7,376,643/- in the statement of profit or loss and other comprehensive income for the year ended 31<sup>st</sup> December 2023.

**25.3** Further, on 27<sup>th</sup> June 2024, the Company has entered in to first addendum to the amended and restated settlement agreement with Government of Maldives for revised payable balance recorded as at 31<sup>st</sup> December 2023 in relation to the Uligamu Island and Ekuhivaru Island. As per the settlement agreement, the Company is liable to pay US\$ 217,438.57/- per quarter for a period of 10 years starting from 1<sup>st</sup> quarter of 2025. Accordingly, the Company has determined the fair value of payable balance to Government of Maldives as at 31<sup>st</sup> December 2023 by using the rate of 4.6% and recognized a gain of US\$ 305,210/- in the statement of profit or loss and other comprehensive income for the year ended 31<sup>st</sup> December 2023.



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26 TRADE AND OTHER PAYABLES

	31/12/2023 US\$	31/12/2022 US\$
Trade Payables	12,601	40,705
Dividend Payable	3,890,936	3,992,340
Other Payables	38,729	36,218
	<u>3,942,266</u>	<u>4,069,263</u>

27 TAX (RECEIVABLE) / PAYABLE

	31/12/2023 US\$	31/12/2022 US\$
Opening Balance	1,246,686	1,984,177
Income Tax Provision for the Year	43,554	444,211
Payments made during the Year	(1,385,905)	(1,181,702)
Closing Balance	<u>(95,665)</u>	<u>1,246,686</u>

As per the settlement agreement signed with Maldives Inland Revenue Authority dated 20<sup>th</sup> July 2022, the Company has agreed to pay the income tax liability for the year 2021 on an installment basis. The Company is liable to pay 20% of the outstanding tax liability for the year ended 31<sup>st</sup> December 2021 on or before 18<sup>th</sup> July 2022 and the balance in 18 monthly installments starting from 18<sup>th</sup> August 2022 to 18<sup>th</sup> January 2024.

Tax receivable balance as at 31<sup>st</sup> December 2023 reflect the net amount which include payable balance of US\$ 82,888/- in relation to the tax liability for the year 2021.

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Risk Management

(i) Overview

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 Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

(ii) Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the risk management committee, which is responsible for developing and monitoring the company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management frameworks in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role in internal audit, internal Audit undertaken both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(iii) Credit risk

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

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28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial Risk Management (Continued)

(iii) Credit risk (Continued)

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

	Carrying Amount	
	31/12/2023 US\$	31/12/2022 US\$
Net Investment in Sub Leases	52,491,503	74,498,763
Other Receivables	2,374,904	29,203
Short Term Investments	4,061,231	4,061,231
Balances with Banks	917,558	5,010,246
	<u>59,845,196</u>	<u>83,599,443</u>

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.

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 and other receivables.

Cash & Cash Equivalents

The Company held cash at the bank including fixed deposits amounting to US\$ 4,978,789/- as at 31<sup>st</sup> December 2023 (2022: USD 9,071,477/-). The Company limits its exposure to credit risk by maintaining its cash balances in selected banks. The Company has not recognized any allowance for impairment for the bank balance based on the materiality ground.

(iv) Liquidity Risk

Liquidity risk is the risk that 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 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, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Financial Liabilities (Non- Derivative)	Carrying Amount	Contractual Cash flow	Within 1 Year	1-5 Years	After 5 Year
	US\$	US\$	US\$	US\$	US\$
31 <sup>st</sup> December 2023					
Lease Liabilities	23,165,203	84,219,617	1,781,835	10,321,058	72,116,725
Payables to the Government of Maldives	6,856,822	6,856,822	6,856,822	-	-
Trade and Other Payables	3,942,266	3,942,266	3,942,266	-	-
	<u>33,964,291</u>	<u>95,018,705</u>	<u>12,580,923</u>	<u>10,321,058</u>	<u>72,116,725</u>

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

Financial Liabilities (Non- Derivative)	Carrying Amount	Contractual cash flow	Within 1 Year	1-5 Years	After 5 Year
	US\$	US\$	US\$	US\$	US\$
31 <sup>st</sup> December 2022					
Lease Liabilities	25,196,143	86,248,734	2,529,117	11,018,389	72,701,228
Payables to the Government of Maldives	14,091,608	17,557,073	2,013,880	5,726,439	9,816,754
Trade and Other Payables	4,069,263	4,069,263	4,069,263	-	-
	<u>43,357,014</u>	<u>107,875,070</u>	<u>8,612,260</u>	<u>16,744,828</u>	<u>82,517,982</u>

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



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**28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

**(v) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect 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**

The Company was not exposed to interest rate risk since the Company did not possess any liabilities or assets negotiated at variable interest rates.

**(b) Currency Risk**

**Exposure to currency risk**

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	31/12/2023 MVR	2022 MVR
Cash and Cash Equivalents	7,831,926	11,405,125
Net statement of financial position exposure	7,831,926	11,405,125

The following significant exchange rates applied during the year:

	Average Rate 2023	Average Rate 2022	Reporting Date Spot Rate 31/12/2023 US\$	Reporting Date Spot Rate 31/12/2022 US\$
Maldivian Rufiyaa (MVR)	15.42	15.42	15.42	15.42

In respect of the monetary assets and liabilities denominated in US\$, the Company has a limited currency risk exposure on such balances since the Maldivian Rufiyaa is pegged to the US Dollar within a band to fluctuate within  $\pm 20\%$  of the mid-point of exchange rate.

**29 RELATED PARTY TRANSACTIONS**

The Government of Maldives is the shareholder for 46% of the issued shares of the Company as at the end of the reporting period. The transactions with the Government of the Maldives included lease rentals paid for the islands obtained on lease term by the Company. The transactions with the Government of Maldives during the year and outstanding balances as at the end of the reporting period are as follows:

Transactions with the Government of the Maldives :	2023 US\$	2022 US\$
Head Lease Payments	1,781,834	4,529,005
Dividend Payments	1,218,605	-

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**29 RELATED PARTY TRANSACTIONS (CONTINUED)**

Payables to the Government of the Maldives	31/12/2023 US\$	31/12/2022 US\$
Reconciliation between gross payable balance and accounting adjustments		
Gross Due, Penalties and Fine Payables	7,162,032	14,401,424
Total fair value adjustments	(305,210)	(1,708,208)
Accumulated Interest (Unwinding of fair value gain)	-	1,398,392
	6,856,822	14,091,608

**30 FAIR VALUE MEASUREMENT**

**Accounting Classifications and Fair Values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It doesn't include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts is a reasonable approximation of fair value.

**31<sup>st</sup> December 2023**

Financial assets not measured at fair value	Financial Assets at Amortized Cost US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Net Investment in Subleases	52,491,503	-	-	52,491,503	52,491,503
Short Term Investments	4,061,231	-	-	4,061,231	4,061,231
Cash and Cash Equivalents	917,754	-	-	-	-
Other Receivables	29,203	-	-	-	-
	57,499,691	-	-	56,552,734	56,552,734

Financial liabilities not measured at fair value	Other Financial Liabilities US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Lease Liabilities	23,165,203	-	-	23,165,203	23,165,203
Payables to the Government of Maldives	6,856,822	-	-	6,856,822	6,856,822
Trade and Other Payables	3,942,266	-	-	-	-
	33,964,291	-	-	30,022,025	30,022,025

**31<sup>st</sup> December 2022**

Financial assets not measured at fair value	Financial Assets at Amortized Cost US\$	Financial Assets at FVOCT US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Net Investment in Subleases	74,498,763	-	-	-	74,498,763	74,498,763
Equity Investment Measured at FVOCT	-	11,102,500	-	-	11,102,500	11,102,500
Short Term Investments	4,061,231	-	-	-	4,061,231	4,061,231
Cash and Cash Equivalents	5,010,491	-	-	-	-	-
Other Receivables	29,203	-	-	-	-	-
	83,599,688	11,102,500	-	-	89,662,494	89,662,494

Financial liabilities not measured at fair value	Other Financial Liabilities US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Lease Liabilities	25,196,143	-	-	25,196,143	25,196,143
Payables to the Government of Maldives	14,091,608	-	-	14,091,608	14,091,608
Trade and Other Payables	4,069,263	-	-	-	-
	43,357,014	-	-	39,287,751	39,287,751



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**31 COMMITMENTS AND CONTINGENT LIABILITIES**

**31.1 Capital Commitments**

There were no material capital commitments approved or contracted as at the reporting date.

**31.2 Contingent Liabilities**

**(I) Dues to MIRA, in relation to the land rent**

The following Rent, Fines and Interest are due to MIRA as at 31<sup>st</sup> December 2022 based on MIRA confirmation. During the year ended 31<sup>st</sup> December 2023, the Company recognised the payable balance of US\$ 103,918/- in relation to the Gdh. Magudhuva based on the due statements obtained from MIRA.

	<b>31/12/2022</b>
	<b>US\$</b>
Gdh. Magudhuva	1,973,977
K. Farukolhufushi	6,120
	<u>1,980,097</u>

**(II) Legal cases**

There are no ongoing legal proceedings against the Company as at 31<sup>st</sup> December 2023, which require adjustments to or disclosure in the financial statements other than disclosed above.

**32 CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company'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.

The Company's debt to adjusted equity ratio was as follows.

	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>US\$</b>	<b>US\$</b>
Total Liabilities	34,864,861	44,603,700
Less: Cash and Cash Equivalents	(917,754)	(5,010,491)
Net Debt	<u>33,947,107</u>	<u>39,593,209</u>
Total Equity	52,098,079	51,905,312
<b>Net debt to equity ratio</b>	<u><b>0.65</b></u>	<u><b>0.76</b></u>

**33 EVENTS SUBSEQUENT TO THE REPORTING DATE**

No circumstances have arisen since reporting date which require adjustments to / or disclosure in the financial statements other than disclosed above.

**34 DIRECTORS' RESPONSIBILITY**

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

**35 Transactions with the Key Management Personnel**

The Board of Directors of the Company are the members of the key management personnel. The Company has made US\$ 101,040/- payments to the key management personnel during the year ended 31<sup>st</sup> December 2023 (2022 : US\$ 100,453/-).



