MTCC

ANNUAL REPORT 2024

بسم الله الرحمن الرحيم

MALDIVES
TRANSPORT & CONTRACTING
COMPANY PLC

ANNUAL REPORT 2024

ATTENTION

This report (Annual Report) comprises the Annual Report of the Maldives Transport and Contracting Company PLC for 2024 is compiled in accordance with the Companies Act of the Republic of Maldives, the Listing Rules of the Stock Exchange, the Securities Act of the Republic of Maldives, the Corporate Governance Code of capital Market Development Authority Requirements, Securities (Continuing Disclosure Obligations of Issuers) Regulation and Regulation for Companies.

Unless otherwise stated in this Annual Report, the terms 'MTCC' and 'Company' refer to Maldives Transport and Contracting Company PLC and/or its subsidiaries. In this report currency is, unless otherwise indicated, in Maldivian Rufiyaa (1 US Dollar is MVR 15.42).

MTCC prepares its financial statements in accordance with International Financial Reporting Standards (IFRS). Reference to a 'year' in this report are, unless otherwise indicated, reference to the Company's financial year ending 31st December 2024.

In this report, financial and statistical information is, unless otherwise indicated, stated on the basis of the Company's financial year. Information has been updated to the most practical date.

This Annual Report contains forward looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and MTCC plans and objectives to differ materially from those expressed or implied in the forward-looking statements. There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. MTCC cannot guarantee future results and thus cannot be legally held responsible for levels of activity, performance or achievements.

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We are committed to effective employee training & development strategies to ensure staff expertise and excellence.

OUR VISION

To build a connected nation.

OUR MISSION

Proudly moving you forward.

OUR VALUES

M - Motivated to move you
O - Organized for smooth sailing
V - Visionary in all actions
E - Entrusted to deliver with pride

OUR COMPANY

Maldives Transport & Contracting Company was established in December 1981 to deliver essential infrastructure for national development, provide transport solutions to support the tourism and trade sectors, and assist in modernizing the fisheries industry through access to engines, spare parts, and services. Over the past four decades, MTCC has grown into the largest civil and marine contractor in the Maldives and the leading provider of integrated public transport services by land and sea.

We have played a central role in the country's economic transformation by providing infrastructure for development, expanding connectivity through nationwide transport networks, introducing technology to the fisheries sector, and supporting the growth of key industries such as tourism and marine logistics.

Our operations today span a wide spectrum, from the construction of airports, roads, and modern buildings, to large-scale dredging and reclamation works. We serve the marine sector by supplying high-quality engines and equipment, and we connect people and goods across the country through our land and sea transport services.

Our strategy revolves around delivering high-quality, dependable services, supported by sustainability-focused diversification and continuous expansion of our customer base. We remain committed to leading in every sector we operate in, both within the Maldives and in the wider region.

With the capacity we have built and the experience we have gained, we are preparing for the future with a renewed focus on innovation, resilience, and national service.

Construction and Dredging

We are the leading infrastructure development contractor in the Maldives and have pioneered technological innovation in both land and marine construction. Our work has significantly shaped the built environment across the country.

Our areas of expertise include harbour construction, sheet piling, shore protection, beach replenishment, dredging, and reclamation. We also offer environmental consultancy, surveying, and architectural design services. Our capabilities are supported by advanced bathymetric, geotechnical, and aerial survey equipment.
Our project portfolio spans the construction of airports, roads, buildings, and essential infrastructure such as water, sewerage, and power systems across the Maldives.

We operate the largest dredging fleet in the country and are well-positioned to deliver sophisticated and timely solutions. Our 3,700 cubic metre hopper dredger Mahaa Jarraafu has transformed the local dredging industry and established us as one of the leading dredging companies in the region.

We are recognized for our adaptability in addressing the unique logistical and environmental challenges of working in dispersed island communities. With the largest equipment fleet in the country and a highly experienced team, we have the capacity to execute multiple complex projects concurrently across multiple locations.

Transport

MTCC is the first and largest public transport provider in the Maldives, offering nationwide connectivity through a fully integrated system of land and sea transport. Our services are delivered under the Raajje Transport Link (RTL) and Comprehensive Transport Network (CTN) brands.

Our transport services began shortly after our establishment, with the rental of speedboats to serve the growing tourism sector and corporate travel. In 2001, we launched scheduled ferry services between Malé and Villingili, which laid the foundation for the country's first public marine transport network. In 2021, we entered into an agreement with the government to expand this service to a nationwide model under RTL, with phased rollouts across the northern and southern atolls.

Our land transport operations began with internal routes in Hulhumalé and expanded significantly in 2021 following the transfer of urban bus services previously operated by Maldives Ports Limited. Today, RTL land transport services operate in the Greater Malé Region and in major population centres including Ha. Dhidhdhoo, Kulhudhuffushi, Gan and Isdhoo in Laamu Atoll, Addu City, and Fuvahmulah City.

We provide safe, reliable, and affordable transport services tailored to the mobility needs of island communities and urban populations. Our services are enhanced by digital platforms for ticketing and real-time service updates, with a continued focus on accessibility, comfort, and operational efficiency.

Engineering and Repair

We are one of the largest docking and repair service providers in the Maldives, and we continue to strengthen our capabilities to meet national and private sector demand. With the formal establishment of the Shipbuilding and Repair Division, we have expanded our focus from maintenance to shipbuilding, offering a broader and more integrated service.

Our boatyard in Thilafushi has the capacity to accommodate up to 20 vessels at a time and is equipped with a 200-ton boat hoist, the largest in the country. Docking is supported by multiple technologies including hoist systems, slipways, trailers, and airbags.

We offer a full suite of services including welding, metal fabrication, blasting and painting, marine engineering, electrical works, machining, fibre and wood works, and underwater welding. These are complemented by essential utilities and support services such as electricity, water supply, accommodation, and tool rental.
We continue to invest in modern technologies and workforce training to ensure that our clients receive efficient, high-quality, and safe service.

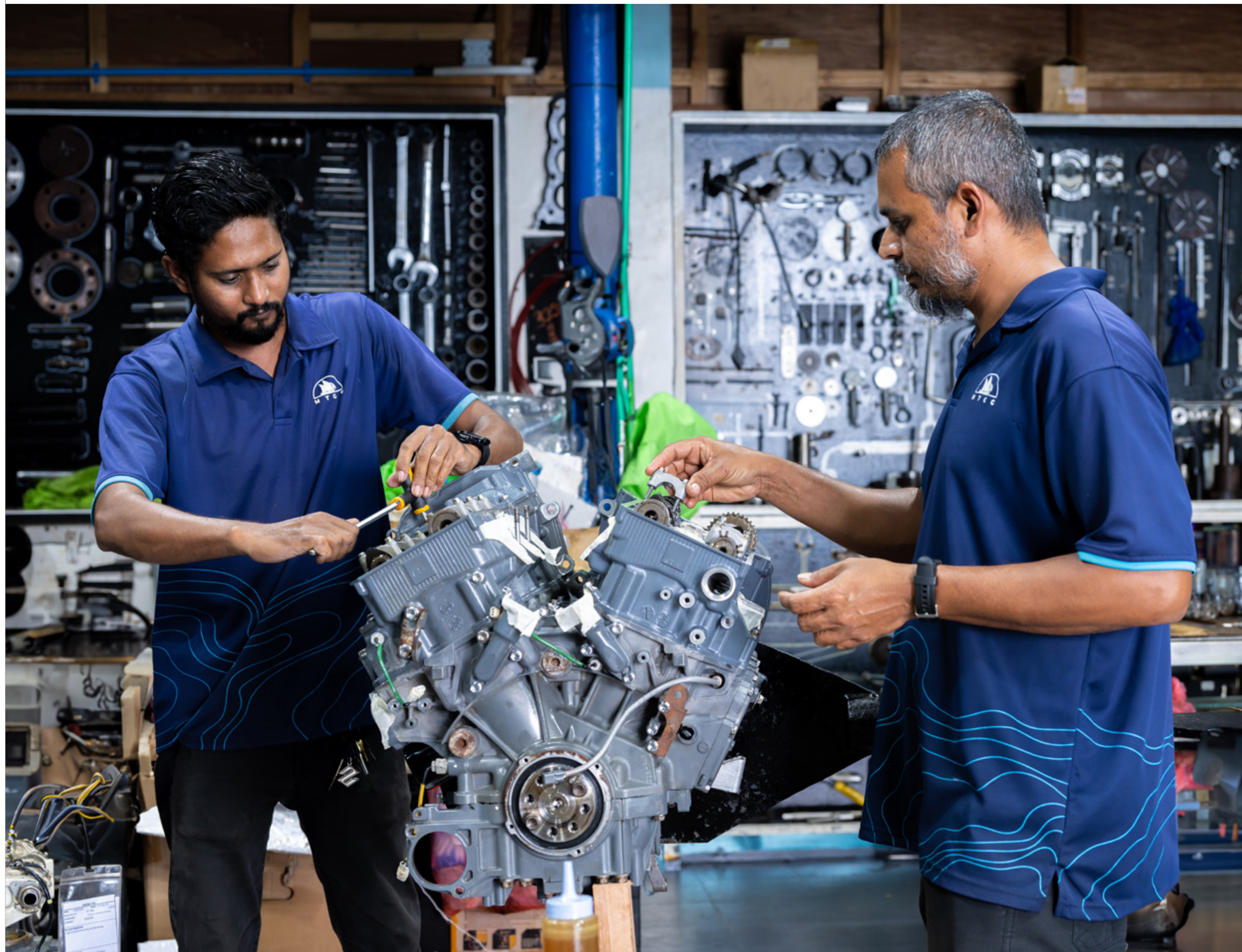
Trading

Our trading division has been a core part of our operations since the early 1980s, when we supported the mechanization of the country's fishing fleet by supplying engines and parts. Since then, we have continuously evolved to meet the growing needs of the marine, fisheries, and transport sectors.

We are the official distributor of Yanmar engines in the Maldives and supply a broad portfolio of marine equipment, including generators, propulsion systems, outboard engines, steering solutions, boat-building composites, marine coatings, and high-performance components for vessels of all sizes.

Our aftersales service centre handles installation, configuration, warranty, and repair needs, with a dedicated team of qualified engineers and technicians. We also offer technical support and advisory services to our customers across the country.

As we expand our trading portfolio, we remain focused on supplying reliable, high-quality products backed by trusted service and long-term value.



OUR JOURNEY

1980
- MTCC incorporated
- Sawmill services transferred to MTCC
- Rental of speedboats, tugs and barges

1981
- Mechanization of fishing dhonis begin with the introduction of Yanmar

1986
- MTCC Rentals Division established
- Construction segment began with Dhoonidhoo fuel tanks, Presidential Jetty project

1987
- Received official distributorship of Yanmar marine engines in Maldives
- Yanmar Regional Service Centres established in two regions

1988
- MTCC Head Office construction work begins

1994
- Received dealership agreement with Castrol
- Opened the first Yanmar Showroom

1995
- 1st Excavator acquired and began harbor construction work

1997
- Introduced Castrol automotive products
- 1st Employee Development Program held

1998
- Sheet piling introduced to harbour construction
- Boatbuilding works began with construction of barge
- Groundbreaking for the Construction of MTCC Tower Building

OUR JOURNEY

1999

- MTCC Tower construction work completed

2001

- 1st Public ferry services from Malé to Villimalé introduced
- 1st cutter dredger introduced for reclamation
- Team MTCC formed
- Ventured into road and airport construction
- Resurfacing works began at Hanimaadhoo Airport

2002

- Work on 1st housing project in Hulhumalé
- Work on 1st Road Project in Fuvahmulah

2003

- Commenced public ferry services from Malé to Hulhumalé

2004

- Commenced public ferry services from Malé to Thilafushi

2005

- 3500-ton barge and tug acquired to import rock boulders for harbour construction
- Hulhumalé Ferry Terminal Services began

2006

- Concrete testing lab
- Started using precast concrete blocks in harbour construction
- Commenced Integrated Transport Network to connect the whole of Maldives with road and sea transport services

2007

- Bus Service Commencement L.Gan - as part of Integrated Transport Network
- Suzuki Outboard Engines introduced to Maldives market
- Alongside berth at Thilafushi MTCC site
- Dedicated Cargo Ferry from Malé to Vilimale'
- Travel Bureau and Ship Service Agency established
- Completed 160 housing units in L. Gan

2008

- 2 cutter suction dredgers Added to dredging fleet
- Dealership received for Caterpillar Heavy Machinery introduced to Maldives market
- Suzuki Award received for meeting national sales target established
- Completed 160 housing units in L. Gan

OUR JOURNEY

2009

- Commenced Hulhumalé Bus Service
- Commenced North Central Region Ferry Service introduced under Comprehensive Pre-scheduled Transport Network

2010

- Commenced High-speed Airport Express from Malé to Airport

2011

- Commenced High-speed Hulhumalé Express from Malé to Hulhumalé

2012

- Completed 1st Airport Project Thimarafushi Airport Runway

2013

- Introduced Volvo City Buses Modernization of Hulhumalé bus service
- Entered electrification works M. Kolhufushi
- Introduced Dhathuru Card

2015

- Introduced Shuttle Service Hulhumalé - Airport
- Introduced doubledecker ferries from Malé to Hulhumalé route
- Islands of Thaa and Laamu Atoll connected with Zone 5 ferry services
- Odiverinnah Hallu Yageen Installment scheme for purchase of marine engines
- Introduction of MTCC Certified Engineers and Sales Agents
- Musical water fountain for the 50th Anniversary of Independence

2016

- Introduced Scott Bader
- Commenced premium ferry from Malé to Hulhumalé
- Commenced public ferry services in Zones 1, 2, 5 and 6

2017

- 1st rights issued in Maldives
- Mahaa Jarraafu added to our fleet
- 200-tonne boat hoist added to our fleet at Thilafushi Boatyard

OUR JOURNEY

2018

- Introduced Hunavaru Apprenticeship Program for secondary school graduates

2019

- Commenced HA & HDh highspeed ferry service

2020

- Achieved highest annual revenue & annual net profit to date
- Hoarafushi Airport completed in 578 days
- Received Dockyard of The Year Award 2019

2021

- Public transport services provided by MPL transferred to MTCC
- Gold Award for Best Organization for Women in Workplace at the Professional and Career Women Awards Maldives 2021

2022

- Launched RTL National Integrated Public Ferry Network in HA, HDh & SH Atolls
- Commencement of RTL Bus service in Malé, Addu, Fuvahmulah & Laamu Atoll

2023

- Expanded RTL Ferry Network to Zone 5 (GA Atoll, G.Dh Atoll) & Zone 6 (Addu, Fuvahmulah)
- MTCC introduced Yanmar Fishing Cruiser
- Digitalization of transport operations
- 'Rehendhi Award' for promoting Gender Mainstreaming and Women Empowerment in the Institutional category for the year 2023
- Staff strength reaches 4500

2024

- Celebrated 50th anniversary of introducing Yanmar products to the Maldives, marking five decades of innovation, reliability, and transformative impact on the nation's maritime and fishing industries.

CHAIRMAN'S MESSAGE

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Finding Solutions For Current Challenges

MR. MOHAMED AFEEF HUSSAIN
CHAIRMAN

Dear Shareholders,

It is with great pride that I present MTCC's performance in 2024, marked by resilience despite a challenging operating environment. We recorded a revenue of MVR 2,156,778,316 and a net profit after tax of MVR 45,209,937. These results are a testament to the resilience of our operations and the unwavering commitment of our dedicated team. As we continue our restructuring efforts and sharpen our focus on operational stability, I am confident that 2025 will be a year marked by steady growth and progress.

Resolving Key Matters for Shareholders

One of the most significant issues we resolved this year was the stalemate from 2023 regarding the dividend distribution for 2022. To address this, we convened an Extraordinary General Meeting, where the issue was successfully resolved, and a dividend of MVR 4 per share was distributed for 2022. Furthermore, the Annual General Meeting for 2023 was held, during which shareholders approved the distribution of a dividend of MVR 3 per share. As a result, we were able to facilitate the distribution of two years› dividends in the past year.

As MTCC journeys through its fifth decade, we are mindful of our long-term shareholders, including some who are sadly no longer with us. As part of our ongoing commitment to our shareholders, we are reviewing the share register and reaching out to the families of these investors, as they may not be fully aware of these holdings. To ensure the accuracy and completeness of our records, we have launched a program to update the share register accordingly.

Driving National Development While Strengthening Our Foundation

As we continue to stabilize the company's operations and financial position, our focus remains firmly on fulfilling President Dr. Mohamed Muizzu's pledges to the Maldivian people. The projects are designed to deliver direct benefits to communities across the country. At present, we have 365 government and State-Owned Enterprises (SOE) projects, with a total value exceeding MVR 14 billion, some of which are already underway, while others are yet to commence. We are fully committed to ensuring these projects proceed without delays or postponements, as they not only fulfill our public service mandate but also contribute to the ongoing stabilization of our operations.

The past two years have presented significant challenges, particularly with disruptions to the supply of critical materials such as rock boulders, essential for many of our infrastructure projects. However, we are working closely with our suppliers to address these issues. We anticipate a positive turnaround that will enable the timely completion of these projects, improving cashflow and enhancing operational efficiency.

In addition to strengthening our core government-driven initiatives, we are expanding our presence in the private sector, particularly in resort reclamation and related services. These ventures diversify our revenue streams and provide an opportunity to earn foreign currency, which is a strategic advantage. Our trading operations, especially through bulk procurement, have also improved, reducing costs and mitigating supply disruptions. This ensures consistent progress across both our infrastructure and trading segments.

Expanding Services to Better Serve Communities

As we strengthen our financial foundation and diversify our operations, we remain committed to fulfilling MTCC's broader national mandate, especially in the transport sector, which is a vital pillar of connectivity across the Maldives.

In 2025, we plan to launch a new taxi service in the Greater Malé Region, addressing a longstanding shortage of reliable transportation in the capital. This initiative is designed to ease daily commuting challenges for residents while creating a new revenue stream for the company. By leveraging our existing operational expertise and infrastructure, we are confident that this service will deliver both social and financial value.

In parallel, we will continue to expand the Raajje Transport Link (RTL) service and the atoll ferry network to more islands in the year 2025. These services are essential in ensuring affordable, dependable, and equitable access to transport across the country. As the backbone of inter-island mobility, the marine transport network directly supports national development and fosters greater cohesion among island communities.

Renewing Our Commitment to Communities and People

True to our founding vision, MTCC continues to prioritize projects that uplift and support communities across the Maldives. In 2024, we remained actively engaged in the development of essential public infrastructure, including schools, hospitals, parks, futsal grounds, and other community spaces. These initiatives are a core part of our public service mandate and directly enhance the quality of life for people across the nation.

In addition to new community developments, we have resumed work on two major projects that reflect both our legacy and our long-term vision. Construction of the MTCC Tower, an iconic symbol of our presence and contribution to national development, is back on track and set for completion in 2025.

Corporate Governance and Future Strategy

As we continue to evolve, we are refining our corporate governance framework to ensure that the interests of all stakeholders are well served. Transparency, accountability, and responsibility remain our guiding principles. We are actively exploring new solutions and strategies to maximize the utilization of MTCC's assets, laying the foundation for long-term sustainability.

Our future priority is to work closely with the government to play an active role in national development, aligning with the vision of His Excellency President Dr. Mohamed Muizzu. We are committed to contributing to the country's development while ensuring commercial success for the company.

Gratitude and Acknowledgments

First, I would like to express my deepest gratitude to Almighty Allah for the continuous blessings bestowed upon us. It is through His grace that we remain steadfast in our journey toward prosperity and growth.

On behalf of the Board of Directors, management, and staff of MTCC, I extend my sincere appreciation to His Excellency President Dr. Mohamed Muizzu for his unwavering support and trust in the company. His leadership and vision continue to inspire us in our mission to contribute to national development.

I also wish to thank our esteemed shareholders for their continued confidence in us. Your trust motivates us to work harder and deliver stronger results. To our clients and business partners, your loyalty and collaboration have been invaluable. Special thanks go to our dedicated management and staff, whose commitment and professionalism remain the cornerstone of our success.

Finally, I extend my sincere appreciation to the Board of Directors for their wisdom, guidance, and unwavering commitment. With the collective efforts of our board, management, and staff, I am confident that MTCC will continue to thrive and reach even greater heights in the years ahead.

Together, we possess the strength, vision, and resources to build an even brighter future for MTCC.

Mohamed Afeef Hussain
Chairman

MANAGING DIRECTOR'S STATEMENT

Building a Stronger MTCC: Driving Efficiency, Expanding Horizons

DCP (Retd.) MR. AHMED SAUDEE
MANAGING DIRECTOR

Greetings to our esteemed shareholders,

It is with great pride and optimism that I address you through this Annual Report for 2024. This has been a year of resilience, focused execution, and renewed commitment at Maldives Transport and Contracting Company (MTCC).

We have continued to deliver on national priorities, navigated significant challenges, and laid stronger foundations for a sustainable and dynamic future.

Since assuming office, I have remained steadfast in steering the Company toward greater operational efficiency, financial resilience, and a deeper connection with the communities we serve across the Maldives.

Sharpening Focus: Aligning Structure, and Efficiency

At the heart of our transformation is a clear set of goals: to enhance operational efficiency, diversify revenue streams, and deliver higher levels of service to the nation. To achieve these ambitions, we implemented important changes to our organizational structure in 2024 to enhance continuity and decision-making across the Company. Deputies were appointed in all key operational divisions, with particular emphasis on revenue-generating divisions. This ensures that leadership is always in place and that urgent matters are addressed promptly, even during periods when division heads are unavailable. Key divisions are now headed by Senior General Managers or General Managers, supported by deputies to maintain seamless operations throughout the year.

Moreover, we initiated a review of internal processes to achieve an optimal balance between strong governance and operational efficiency. While the Company maintains robust controls and checks across financial and operational systems, we recognized that certain procedural delays, even for simple matters such as spare part requests, were undermining project momentum and incurring unnecessary costs. Our focus has been on refining processes to ensure that necessary controls are preserved without hindering timely, pragmatic decision-making. Complementing these efforts, instilling a culture of urgency and accountability across all levels of management has been a key focus throughout the year.

Construction and Dredging Division: Delivering National Infrastructure with Enhanced Support

The Construction and Dredging Division (CDD) continues to be the foundation of MTCC's contribution to national development. 2024 was marked by the successful completion of nationally significant projects, including the Presidential Jetty in Malé and the headquarters of the Development Bank of Maldives (DBM).

The Presidential Jetty, a highly visible symbol of our capital city, now serves as a fitting gateway for visiting dignitaries and heads of state. The DBM headquarters, completed under demanding timelines, stands as a testament to our capacity for delivering complex infrastructure with quality and speed.

Behind these successes lies a deeper shift in how we execute projects. After-action reviews were instituted for every completed project, critically analyzing challenges encountered across design, material selection, logistics, and on-site management. Supported by in-house training initiatives, these reviews are helping us build a culture of reflection, learning, and continuous improvement within the division.

Recognizing that profitability is eroded not only by project delays but also by inefficient resource allocation, we focused on smarter, data-driven project management. Resource prioritization decisions, from machinery to manpower, are now increasingly guided by a clear principle: to maintain the profitability margins of projects, targeted at the contract stage. In line with this approach, projects are supported based on their status, risk to profitability, and their contribution to the Company's overall financial health.

Logistics play a critical enabling role in this transformation. Traditionally, our primary focus was on international logistics, ensuring timely delivery of supplies and equipment into the Maldives. While this remains important, we are now placing greater emphasis on project logistics to ensure that materials, equipment, and resources are mobilized and deployed swiftly across our projects. This shift recognises the critical role of logistics in maintaining project momentum, even as we continue to strengthen our international supply chains.

To support this shift, we are working to ensure that logistics officers are closely aligned with project requirements, with greater awareness of project-specific priorities and timelines. This focus on proactive coordination is enabling faster resource deployment and helping protect project profitability, even as we work to optimize the use of limited logistics resources across all operations. Furthermore, as part of this transformation, we are upgrading our project management systems to enhance real-time visibility into project statuses and resource needs.

Transport Services: Strengthening the Pulse of the Nation

Public transport is an essential service that connects communities, supports livelihoods, and sustains economic and social life across the Maldives. At MTCC, we view our role in delivering public transport not merely as an operational responsibility, but as a fundamental contribution to national wellbeing.

Throughout 2024, we have remained focused on enhancing the reliability, accessibility, and quality of our transport services, recognizing the growing demand from communities across the country. In parallel, we have actively worked to instill within our teams the understanding that public transport is a vital necessity for the people we serve. This has included stronger emphasis on service discipline, clearer expectations for frontline responsiveness, and reinforcing a culture of responsibility at all levels.

At the same time, we have continued to support government efforts to expand and strengthen transport networks, ensuring that mobility remains a right accessible to all Maldivians. We remain committed to enhancing the quality, reliability, and accessibility of our transport services, ensuring that they continue to connect lives and support economic and social development throughout the Maldives.

Trading Division: Rebuilding Customer Confidence and Expanding Reach

As a key pillar of MTCC's business operations, the Trading Division plays a vital role in supporting customers across the Maldives. During the year, the division faced significant cashflow constraints that led to stock shortages and impacted our ability to meet customer demand. This inevitably affected customer confidence, particularly among users of key engine brands such as Suzuki and Yanmar.

Recognizing the urgency of the situation, we moved quickly to implement recovery plans. By the early part of 2025, we expect to fully replenish stocks and fulfill all pending customer requirements, with priority given to outstanding orders for brands such as Suzuki. At the same time, we worked closely with Yanmar to renegotiate delivery terms and secure faster order fulfillment, especially in view of our longstanding partnership and the significant advances paid by customers.

To support better accessibility and responsiveness, we are also expanding our service network. Regional service centers will be established, beginning with the northern atolls, alongside the development of a broader regional distribution network. Additionally, we have transitioned customer communications on social media platforms to company-managed channels, enabling seamless handovers during staff absences and strengthening oversight.

Senior management is now directly connected to these platforms, allowing real-time monitoring of customer interactions and ensuring that any emerging concerns can be addressed promptly.

Engineering and Repair Division: Strengthening Capacity and Expanding Service Reach

The Engineering and Repair Division continues to play a crucial role in maintaining MTCC's fleet while also delivering docking and repair services to external customers. However, internal operational requirements currently take up much of the division's capacity, and the existing facility at Thilafushi is limited in both space and capability, particularly in handling larger vessels.

To address these limitations, we are planning targeted enhancements to the current facility in Thilafushi. These upgrades will improve service delivery for smaller vessels and expand our capacity to serve external clients more effectively, while continuing to support internal operations. The aim is to increase throughput and create more room for revenue-generating work, even as we meet growing internal demands.

At the same time, we are advancing plans to develop a new docking facility within Malé Atoll, capable of accommodating large vessels, including MTCC's own dredgers. Currently, major docking and repairs for such vessels must be carried out overseas; a costly and time-consuming process not only for MTCC but for other large vessel operators in the Maldives as well. Establishing this facility will reduce dependence on foreign yards, generate significant foreign exchange savings for the Company and the broader maritime industry, and add much-needed national capacity for ship repair and docking.

Financial Stability and Future Outlook

Despite the cashflow pressures faced during the year, MTCC remains in a strong position, backed by a substantial pipeline of projects across key sectors. Careful management of receivables and payables, combined with active efforts to secure new private sector opportunities, is reinforcing our financial resilience.

In addition to improving cashflows, maintaining profitability has been a core focus. We continue to optimize resource allocation, strengthen project execution, and protect the profitability margins targeted at the contract stage. These measures are central to sustaining financial strength and delivering long-term value to our shareholders.

While government PSIP projects will continue to be a key pillar, we are intensifying efforts to diversify revenue streams and expand our customer base to ensure long-term, sustainable growth. Our vision remains clear: to be not only a trusted contractor but also a strategic partner in national development, delivering value to shareholders, customers, and communities alike.

In closing I extend my sincere thanks to our shareholders for their continued trust, to the Chairman and Board of Directors for their valued guidance, and to our management and staff for their unwavering dedication throughout the year.

I also convey my gratitude to His Excellency President Dr. Mohamed Muizzu, whose leadership continues to shape our direction and drive our progress. His vision has been instrumental in empowering us to meet new challenges and seize new opportunities.

With the blessings of Almighty Allah, and the collective strength of the MTCC family, I remain confident in our ability to reach new heights and deliver lasting value for the nation.

DCP (Retd.) Ahmed Saudee
Managing Director

BOARD OF DIRECTORS

Mr. Mohamed Afeef Hussain

Chairman

Mr. Mohamed Afeef Hussain was appointed as the Chairman of the Board of Directors by the majority shareholder, the Government of Maldives, on 18 December 2023. Mr. Afeef joins the Board with four decades of service in the public sector, bringing a rich array of practical experience and a comprehensive understanding of diverse business management applications, including corporate and legal affairs, administration, human resource management, and finance.

Mr. Mohamed Afeef Hussain currently serves as the Director General of Public Works Services at the Ministry of Cities, Local Government and Public Works. Mr. Afeef has also held key roles in various government and corporate entities. During his tenure at the Ministry of National Planning, Housing and Infrastructure from 2019 to 2023, he served as the Director General of the Corporate Department and the Director General of the Housing Department. Prior to this, he worked as the Director General of Public Works Services from 2012 to 2019.

Moreover, he also served as Acting Managing Director of Works Corporation Limited (WCL) from 2012 to 2013 and as Executive Director (Deputy Managing Director) from 2009 to 2012. Mr. Afeef made notable contributions to the State Electric Company (STELCO), where he served as Chairman from 2013 to 2016 and held other key positions, including Assistant Managing Director, Director, and Deputy Director, during different periods from 2002 to 2008.

Additionally, Mr. Afeef played key roles at Fenaka Corporation Limited, serving as a Non-Executive Director from 2012 to 2013 and later as Chairman in 2013. Mr. Afeef also served as a Non-Executive Director on the Boards of Upper North Utilities Limited, Northern Utilities Limited, Central Utilities Limited, South-Central Utilities Limited, Upper South Utilities Limited, and Southern Utilities Limited from 2012 to 2013. He has had a diverse and accomplished career in both the public sector and state-owned entities.

Mr. Afeef holds a Master's Degree in Shariah from Villa College Maldives, as well as a Diploma in Business Administration from Avid College and a Diploma in Business Management from the American Business Academy in Sri Lanka. He also holds an Executive Certificate in Directorship from Singapore Management University and has completed several training programs in administration, finance, risk management (RMP) and corporate governance at various institutions.

DCP (Retd) Mr. Ahmed Saudee

Managing Director & Executive Director

DCP (Retd.) Mr. Ahmed Saudee was appointed as a member of the Board of Directors and Managing Director on 21 August 2024.

Mr. Saudee, a seasoned law enforcement professional, served with distinction in law and enforcement institutions from April 1992 to February 2018. Over his -25year career, he progressed through the ranks to the Deputy Commissioner of the Maldives Police Service, showcasing exemplary leadership and management skills.

His service began with the National Security Service (Maldivian Army), transitioning to the Maldives Police Service in 2004. Throughout his career at the Maldives Police Service, Mr. Saudee held key roles, including Head of Specialist Operations, Crime Investigation Command, and Divisional Operations Command. He was promoted to Chief Inspector in 2010 and further to Chief Superintendent of the Maldives Police in 2011, assuming responsibilities at the Senior and Executive Management levels. His tenure as Deputy Commissioner of the Maldives Police commenced in December 2013.

DCP (Retd.) Mr. Saudee also has extensive leadership experience in the corporate sector, having served as Chief Operating Officer at Elite Medical Center from January 2020 to October 2021. In this role, he was responsible for overseeing overall operations and ensuring the smooth and efficient functioning of the organization. After his time at Elite Medical Center, he joined Ibiz Holdings Private Limited as General Manager in November 2021. During his tenure, which lasted until March 2023, Mr. Saudee managed the company's diverse business activities, playing a key role in its growth and strategic development.

Mr. Saudee's leadership was instrumental in strategic and operational planning and institutional development. He played a pivotal role in shaping the Maldives Police Service, particularly through his involvement in its Disciplinary and Executive Boards and as Chairperson of the Promotion Board from 2016 to 2018.

DCP (Retd.) Mr. Saudee has successfully completed the Criminal Justice Education program at the prestigious University of Virginia, USA. His professional development also includes training at renowned institutions such as the Sardar Vallabhbhai Patel National Police Academy in India, the Scottish Police College, and the FBI National Academy. Additionally, he holds a Diploma in Police Management from the Scottish Police College.

Mr. Mohamed Jamsheed

Deputy Managing Director & Executive Director

Mr. Mohamed Jamsheed was appointed to the Board of Directors of MTCC on 31 December 2024. He currently serves as the Deputy Managing Director, a position he assumed in December 2023.

Mr. Jamsheed brings with him a wealth of experience spanning both the public and private sectors. From 2014 to 2018, he served at the executive level at the Ministry of Housing and Infrastructure, where he was responsible for institutional development and the coordination of various housing development projects. In addition, he managed the day-to-day operations of the Minister's Bureau in his capacity as Head of the Bureau.

Before his tenure at the Ministry, Mr. Jamsheed was engaged with Mandhu Learning Centre for over 14 years, where he held various roles and contributed significantly to the organization's growth and development.

Mr. Jamsheed holds a Master of Business Administration from the University of Wales (Colombo, Sri Lanka) and a Diploma in Information Technology from Ramkhamhaeng University (Bangkok, Thailand).

Mr. Nasrath Mohamed

Non-Executive Independent Director

Mr. Nasrath Mohamed was appointed as a Non-Executive Independent Director of the Board, elected by public shareholders at the Annual General Meeting held on 27 September 2020, and reappointed to the Board at the 2021 Annual General Meeting held on 19 May 2022. Mr. Nasrath also served as a Board Director of the company from May 2013 to June 2019 and as a Board Director of Maldives Real Estate Investment Corporation, a fully owned subsidiary of MTCC, from 2013 to 2016.

Mr. Nasrath Mohamed possesses more than 18 years of experience in sales, customer service, and business management, and he currently serves as a General Manager at Allied Insurance Company of the Maldives. Prior to that, he worked as the Customer Service Manager at Allied Insurance Company.

Mr. Nasrath Mohamed holds a Master of Business Administration (MBA) from Victoria University, Australia; a Bachelor of Business (Management and Marketing) from Edith Cowan University, Australia; and an Associate Degree of Business from Perth Institute of Business & Technology, Australia. He also holds an Executive Diploma in Directorship and an Executive Certificate in Directorship from Singapore Management University and has completed several training programs in the areas of corporate governance, finance, risk, audit, and management at various overseas institutions.

BOARD OF DIRECTORS

Mr. Mohamed Imran Adnan

Non-Executive Independent Director

Mr. Mohamed Imran Adnan was appointed as a Non-Executive Independent Director of the Board, elected by public shareholders on 15 November 2020, and was most recently re-elected as a Board Director at the Annual General Meeting of 2024. Mr. Mohamed Imran Adnan also serves as a Non-Executive Director in the real estate subsidiary company MREIC.

Mr. Mohamed Imran Adnan has more than 10 years of experience at the executive management level. At Malé Water and Sewerage Company Ltd, Mr. Mohamed Imran Adnan previously served as General Manager Engineering and General Manager Supply & Logistics. He is currently serving as General Manager Utility Collection at Malé Water and Sewerage Company.

Mr. Mohamed Imran Adnan holds a Master of Business Administration with specialization in Project Management from the University of Southern Queensland, Australia; a Postgraduate Diploma in Contract Management from CCM, UK; and a Diploma in Architecture & Building from ITJ, Malaysia. He is currently pursuing an MSc in Real Estate from The University of Manchester, UK. He holds the Project Management Professional (PMP) credential from the Project Management Institute (PMI), USA, and is an Associate Member of the Chartered Institute of Arbitrators (CIArb), UK.

Mr. Ali Naail

Non-Executive Independent Director

Mr. Ali Naail was appointed as a Non-Executive Independent Director of the Board by the majority shareholder, the Government of Maldives, on 24 December 2023. Mr. Naail is an entrepreneur and joins the Board of Directors with over a decade of experience in the private business sector.

Mr. Naail is a director of one of the most prominent private companies in the Maldives, Redwave Private Limited. He is also a director at Redwave Construction and Avalon Private Limited. Under the stewardship of Mr. Naail, the business has seen considerable growth and expansion, with numerous mega outlets opened in the Greater Malé Region under his leadership.

Mr. Naail holds a Bachelor (Hons) in Computing from SEGi University, Malaysia, and a Diploma from Sunway University, Malaysia.

Mr. Yaseen Hussain

Non-Executive Independent Director

Mr. Yaseen Hussain was appointed as a Non-Executive Independent Director to the Board on 9 April 2025. Mr. Yaseen is a Chartered Accountant with over a decade of progressive experience in public financial management, financial consultancy, financial reporting, and financial policy management. He is currently serving as the Chief Public Accountant at the Ministry of Finance and Planning, where he leads the financial reporting function, public financial system modernization, manages key stakeholder relationships, and ensures accuracy and compliance.

Prior to his current role, Mr. Yaseen has held several key positions across both the public and private sectors. As a Financial Accounting & Controlling Consultant at the Ministry of Finance and Planning, he contributed to SAP module enhancements, public financial system integrations, and capacity-building training initiatives. He also served as Assistant Finance & Accounts Manager at Tree Top Health Pvt Ltd and led financial operations as the Financial Controller at Dhivehi Viuga Pvt Ltd, contributing to major restructuring efforts and the implementation of financial systems across group companies.

He holds a Master of Business Administration from Villa College (awarded by the University of the West of England) and is a Fellow Member of the Association of Chartered Certified Accountants (ACCA). His professional training includes expertise in IPSAS, IFRS, and public financial management. Mr. Yaseen also contributes to the academic field as a part-time lecturer in Financial Reporting and Audit & Assurance, showcasing his commitment to knowledge-sharing and capacity-building within the financial sector.

EXECUTIVE MANAGEMENT TEAM

DCP (Retd) Mr. Ahmed Saudee

Managing Director & Executive Director

DCP (Retd.) Mr. Ahmed Saudee was appointed as the Chief Executive Officer and Managing Director of the Board of Directors on 21 August 2024 by the majority shareholder, Government of Maldives.

Mr. Saudee, a seasoned law enforcement professional, served with distinction in law and enforcement institutions from April 1992 to February 2018. Over his -25year career, he progressed through the ranks to the Deputy Commissioner of the Maldives Police Service, showcasing exemplary leadership and management skills.

His service began with the National Security Service (Maldivian Army), transitioning to the Maldives Police Service in 2004. Throughout his career at the Maldives Police Service, Mr. Saudee held key roles, including Head of Specialist Operations, Crime Investigation Command, and Divisional Operations Command. He was promoted to Chief Inspector in 2010 and further to Chief Superintendent of the Maldives Police in 2011, assuming responsibilities at the Senior and Executive Management levels. His tenure as Deputy Commissioner of the Maldives Police commenced in December 2013.

DCP (Retd.) Mr. Saudee also has extensive leadership experience in the corporate sector, having served as Chief Operating Officer at Elite Medical Center from January 2020 to October 2021. In this role, he was responsible for overseeing overall operations and ensuring the smooth and efficient functioning of the organization. After his time at Elite Medical Center, he joined Ibiz Holdings Private Limited as General Manager in November 2021. During his tenure, which lasted until March 2023, Mr. Saudee managed the company's diverse business activities, playing a key role in its growth and strategic development.

Mr. Saudee's leadership was instrumental in strategic and operational planning and institutional development. He played a pivotal role in shaping the Maldives Police Service, particularly through his involvement in its Disciplinary and Executive Boards and as Chairperson of the Promotion Board from 2016 to 2018.

DCP (Retd.) Mr. Saudee has successfully completed the Criminal Justice Education program at the prestigious University of Virginia, USA. His professional development also includes training at renowned institutions such as the Sardar Vallabhbhai Patel National Police Academy in India, the Scottish Police College, and the FBI National Academy. Additionally, he holds a Diploma in Police Management from the Scottish Police College.

Mr. Mohamed Jamsheed

Deputy Managing Director & Executive Director

Mr. Mohamed Jamsheed currently serves as the Deputy Managing Director of MTCC, a position he assumed in December 2023.

Mr. Jamsheed brings with him a wealth of experience spanning both the public and private sectors. From 2014 to 2018, he served at the executive level at the Ministry of Housing and Infrastructure, where he was responsible for institutional development and the coordination of various housing development projects. In addition, he managed the day-to-day operations of the Minister's Bureau in his capacity as Head of the Bureau.

Before his tenure at the Ministry, Mr. Jamsheed was engaged with Mandhu Learning Centre for over 14 years, where he held various roles and contributed significantly to the organization's growth and development.

Mr. Jamsheed holds a Master of Business Administration from the University of Wales (Colombo, Sri Lanka) and a Diploma in Information Technology from Ramkhamhaeng University (Bangkok, Thailand).

Mr. Ahmed Shareef Abdul Rahman Yoosuf

Deputy Managing Director

Mr. Ahmed Shareef Abdul Rahman Yoosuf was appointed as Deputy Managing Director of MTCC in January 2025. With a professional career spanning over four decades, he brings extensive experience in executive management, logistics, and corporate governance.

Mr. Shareef has held senior leadership roles in major state-owned enterprises, including Board Member positions at Maldives Ports Limited, Maldives Airports Company Limited, and Regional Airports Company Limited. He also served as Chairman of Felivaru Fisheries Maldives Limited.

In the private sector, he has demonstrated strong entrepreneurial leadership. He has served as Managing Director of Reservoir Maldives Pvt. Ltd. since 1997 and of Village Bazaar Maldives Pvt. Ltd. since 2023, overseeing logistics, freight forwarding, and strategic business development operations nationwide.

Mr. Shareef began his career in public service at Central Hospital and later held administrative roles at the Medical Supplies Department, Maldives Electricity Board, and Hunter Maldives Pvt. Ltd., where he managed island-wide cargo and logistics operations.

He is a graduate of Male' English School and Madhrasathul Ifthithaah in Naifaru. He has undertaken English language studies at English Time and MES, attaining FCE-level competency.

Mr. Sinaan Ali

Chief Operating Officer

Mr. Sinaan Ali was appointed as Chief Operating Officer of the Company in February 2025. With over two decades of professional experience, he brings a strong background in leadership, corporate communications, and strategic media management to the executive leadership team.

Prior to this appointment, Mr. Sinaan served as a Non-Executive Independent Director of the Board from February 2019, having previously held the same role from 2014 to 2016. Throughout his career, he has established himself as a leading figure in the Maldivian media industry, serving in various key positions including Chief Executive Officer and Editor of ONE Media Group Pvt Ltd, one of the largest media companies in the Maldives. He also held the position of CEO of Sun Media Group from 2008 to 2018.

Mr. Sinaan has contributed to workforce development and education communications, serving as General Manager of Job Market Maldives Pvt. Ltd. and as Editor of University Education Guide. He has contributed to the aviation sector as a member of the Board of Directors of Island Aviation Limited. In recognition of his work in journalism, he was awarded the National Award in Journalism in 2015 and holds the title of Senior Fellow Journalist from the Royal Institute of Journalism, Singapore.

Mr. Sinaan Ali holds a Master of Business Management (MBA) from Anglia Ruskin University, London, and a Postgraduate Diploma in Journalism from the Asian College of Journalism, Chennai, India. He has completed extensive training in corporate governance, finance, audit, and risk management from international institutions.

EXECUTIVE MANAGEMENT TEAM

Mr. Hussain Naufal Nasir

Deputy Chief Operating Officer

Mr. Hussain Naufal Nasir was appointed as Deputy Chief Operating Officer in December 2023, having joined the company in 2021. Prior to this role, he served as an Inventory Manager, where he significantly enhanced the company's inventory management systems.

In this capacity, Mr. Naufal developed and implemented policies, procedures, and workflows that improved material planning and inventory efficiency. He was also responsible for overseeing logistics operations, ensuring the timely and effective movement of materials required for successful project execution.

Mr. Naufal holds a Bachelor's (Hons) degree in Government and Public Policy from Universiti Tun Abdul Razak, Malaysia.

Mr. Ahmed Fikury

Company Secretary

Mr. Ahmed Fikury was appointed as the Company Secretary in 2025, bringing with him a unique blend of expertise in banking, legal affairs, and financial consulting. With over 20 years of experience in both conventional and Islamic banking, Mr. Fikury has held numerous senior leadership roles at Bank of Maldives, including Regional Manager, led operations across multiple branches in seven different atolls and served as the Manager of Shariah and Strategy. He also served as Relationship Manager at Maldives Islamic Bank.

In addition to his banking background, Mr. Fikury has over six years of experience as a licensed practicing lawyer specializing in litigation and transactional law, actively engaging in civil and family court cases. He also served as an Investigator at the Office of the Ombudsperson for Transitional Justice (OTJ), contributing to national legal reforms.

Mr. Fikury combines legal acumen with corporate governance experience, making him well-suited to overseeing compliance and board affairs at MTCC. Mr. Fikury holds a Master of Business Administration from the Maldives Business School and a Bachelor of Shariah and Law from Maldives Islamic University. He has also completed foundational training in ICT and Microsoft Office applications.

Mr. Ali Nashath

Chief Internal Auditor

Mr. Ali Nashath joined MTCC in 2017. With over 20 years of experience in auditing and assurance, and a deep understanding of finance and trade, he has played a key role in strengthening the Company's internal audit function.

Prior to joining MTCC, Mr. Nashath served as Chief Financial Officer at Maldives Road Development Corporation Limited and as Head of Internal Audit at Fuel Supplies Maldives, a subsidiary of State Trading Organisation (STO). Earlier in his career, he worked for more than eight years in the Internal Audit Department of STO.

Mr. Nashath is a Certified Chartered Accountant and a member of the Association of Chartered Certified Accountants (ACCA-UK). He holds a Master of Business Administration from the Open University of Malaysia. He has completed several professional and technical courses in auditing and investigation and is currently pursuing the Certified Internal Auditor (CIA) qualification from the Institute of Internal Auditors (IIA Global).

Mr. Hussain Mohamed Manik

Chief Financial Officer

Mr. Hussain Mohamed Manik was appointed as Chief Financial Officer in November 2023. Prior to this, he served as Chief Accountant and Financial Controller from 2020 to 2023. He also held the positions of Senior Accountant and Accountant from 2017 to 2020. Earlier in his career, Mr. Manik served MTCC from 2005 to 2008 as an Auditor and Accountant.

With over a decade of dedicated service to the Company, Mr. Manik brings a wealth of expertise in financial management and control, uniquely positioning him for his current leadership role.

Mr. Manik obtained his Chartered Institute of Management Accountants (CIMA) qualification from Wisdom Business Academy, Sri Lanka. He also holds an Advanced Diploma in Management Accounting (Managerial Level), a Diploma in Accounting from the Association of Accounting Technicians of Sri Lanka, and a Certificate in Business Accounting.

In addition, Mr. Manik has completed a range of training programs in his areas of expertise, including leadership and team building, corporate financial planning, budgeting, and control.

He is a Certified Chartered Accountant and a member of both the Chartered Institute of Management Accountants (CIMA-UK) and the Association of International Certified Professional Accountants (AICPA).

EXECUTIVE MANAGEMENT TEAM

Mr. Ahmed Latheef

Senior General Manager

Head of Division – Construction & Dredging Division

Mr. Ahmed Latheef joined MTCC in 1999. He currently holds the position of Senior General Manager and Head of the Construction & Dredging Division. Mr. Latheef assumes this post having served the Company for 25 years in various technical and managerial positions across key departments.

Mr. Ahmed Latheef is highly experienced in the field of project management, with the majority of his tenure focused on construction and project-related operations. This includes his service as Assistant General Manager in charge of the Construction and Dredging Division, as well as Engineer and Senior Engineer in the Construction & Project Management Department. He also served as Chief Risk Officer of the Company.

Mr. Ahmed Latheef holds a Master of Science in Quantity Surveying and a Bachelor of Science (Hons) Degree in Construction and Project Management from Heriot-Watt University, Scotland.

Mr. Ali Fathih

Senior General Manager

Head of Division – Transport Services Division

Mr. Ali Fathih currently holds the position of Senior General Manager and Head of the Transport Services Division. He joined the Company in 2008 and has since served in various leadership capacities within the Transport Services Division, beginning with his appointment as Transport Manager in 2019, followed by Assistant General Manager in 2022, and General Manager in 2023.

Mr. Fathih has played a key role in the development of the Company's transport services, particularly in the planning and implementation of public transportation systems in the Maldives. He has also contributed significantly to human resource management and customer relations management within the division.

Mr. Fathih holds a Master's Degree in Business Administration from the University of the West of England, Bristol, and a Bachelor's Degree in Business Administration from Heriot-Watt University, Scotland. He has completed several training programs in public transportation and has served as a member of the Technical and Vocational Education and Training (TVET) Sector Council since 2019.

Mr. Ahmed Thiham

Senior General Manager

Head of Division – Engineering & Repair Division

Mr. Ahmed Thiham currently holds the position of Senior General Manager and Head of the Engineering & Repair Division. He joined MTCC in 2020 as General Manager of the Repair and Maintenance Division.

Mr. Thiham brings an engineering and military background, having served in the Maldives National Defence Force (MNDF) for 16 years, from 1999 to 2015. During his tenure at MNDF, he held various posts including Junior Engineer in the Electrical and Mechanical Engineers unit, Engineer Officer on a Maldives Coast Guard ship, and later as a Unit Commander. He also served as Executive Officer for several training courses conducted by the Defence Institute for Training and Education, and as a full-time instructor at the institute. He designed and conducted training programs for personnel of MNDF, Maldives Police Service, Maldives Customs, and Aviation Security.

Mr. Thiham holds a Bachelor of Technology (Mechanical Engineering) degree from the College of Military Engineering, Pune, India, and has completed various military, leadership, and engineering training programs at military institutes.

Ms. Fathimath Jabeen

Senior General Manager

Head of Division – Human Resources Division

Ms. Fathimath Jabeen joined MTCC in 1996 and currently serves as Senior General Manager and Head of the Human Resources Division. A highly experienced professional in human resource management, she previously held the position of General Manager of the Division prior to her current appointment.

With 28 years of dedicated service at MTCC, Ms. Jabeen has also served as a Senior Manager in multiple departments, including the Human Resources and Trading Departments, demonstrating her versatility and leadership.

She holds an Associate Degree in Human Resource Management from MAPS College, Maldives, and has actively participated in several workshops, seminars, and conferences focused on management, human resources, and strategic planning, further enhancing her expertise in these fields.

EXECUTIVE MANAGEMENT TEAM

Mr. Ahmed Iruhas

Senior General Manager

Head of Division - Procurement Division

Mr. Ahmed Iruhas currently serves as Senior General Manager and Head of the Procurement Division at MTCC. Since joining the Company in 2009, he has held a variety of technical and managerial roles over the past 15 years, gaining in-depth knowledge across multiple operational areas.

Prior to his current appointment, Mr. Iruhas served as Chief Procurement Officer, where he was responsible for overseeing the Procurement and International Logistics Division. His previous roles at MTCC include General Manager of the Trading Division, Technical Executive in the Engineering Department, and Unit Head of the Engineering Workshop.

Mr. Iruhas holds a Master of Science in Engineering Management with Distinction from the University of Sunderland, United Kingdom, and a Bachelor's (Hons) Degree in Engineering (Marine and Offshore Systems) from the University of Tasmania, Australia. He was awarded the Connell Medal in 2008 for outstanding academic achievement as the best graduate at bachelor level at the Australian Maritime College, Tasmania.

Mr. Ibrahim Latheef

Senior General Manager

Head of Division – Training & Strategic Development Division

Mr. Ibrahim Latheef joined MTCC in 1999 and currently serves as Senior General Manager and Head of the Training & Strategic Development Division. Over 25 years of service, he has gained extensive experience in the management and operations of key departments across the Company.

Prior to his current appointment, Mr. Latheef served as Chief People Officer, leading the Company's human resource function. He has also held several senior roles, including General Manager of the Ship Handling and Quality Assurance Division and General Manager overseeing Logistical Operations. He has served as Head of the Human Resource and Administration Department, Business Development Department, Administration Department, Procurement Department, and Building Security and Services Department. Additionally, he has led the Transport, Engineering, and Docking Division.

Having held leadership roles across multiple core areas of the business, including operations, logistics, human resources, and administration, Mr. Latheef brings a wide-ranging and practical perspective to his current position.

He holds a Master's Degree in Business Administration from the Open University Malaysia and a Bachelor of Arts (Hons) Degree in Marketing from the University of Hertfordshire, United Kingdom. He is a Chartered Marketer of the Chartered Institute of Marketing and a member of the Society for Human Resource Management. Mr. Latheef is also a Certified Balanced Scorecard Professional (BSP) and a Certified KPI Professional (KPIP).

Mr. Mohamed Rasil

General Manager

Head of Division – Marketing and Business Development Division

Mr. Mohamed Rasil joined MTCC in 2017 and currently serves as General Manager and Head of the Marketing and Business Development Division. Throughout his tenure at the Company, he has worked exclusively in the field of marketing and business development. He began as a Senior Business Development Officer and later held the positions of Business Development Manager and Assistant General Manager before assuming his current role.

Prior to joining MTCC, Mr. Rasil served as Marketing and Business Development Manager at Excorp Pvt. Ltd. and also worked in the Procurement and Public Relations Divisions at State Trading Organization Plc.

He holds a Bachelor of Business (Hons.) degree with a specialization in International Business from the University of Hertfordshire, UK. Mr. Rasil is a Member of the Chartered Institute of Marketing (MCIM) and has completed various training programs in finance, international trade, and logistics.

Mr. Hussain Shaaz

General Manager

Head of Division – Trading Division

Mr. Hussain Shaaz currently serves as General Manager of the Trading Division of MTCC, bringing over 13 years of experience in human resources, strategic planning, and commercial operations. Appointed to this leadership role in 2024, he is responsible for overseeing trading activities, supply chain operations, and business development efforts within the division.

Throughout his career at MTCC, Mr. Shaaz has held a range of progressive roles, including Assistant General Manager of Talent Acquisition, Department Manager of Recruitment, and Senior HR Officer, reflecting his deep understanding of organizational dynamics and workforce management. He began his professional journey at MTCC in 2011 as an Assistant Human Resource Officer and has been instrumental in aligning talent strategies with the Company's long-term objectives.

Mr. Shaaz holds a Master of Business Administration from the University of the West of England (UWE), awarded through Villa College, and a Bachelor's Degree in Hotel and Resort Management from the Maldives National University. He is a certified SHRM Senior Certified Professional (SHRM-SCP) and holds multiple HR and leadership certifications from the Academy to Innovate HR (AIHR), including Strategic Talent Acquisition and HR Metrics & Dashboarding.

EXECUTIVE MANAGEMENT TEAM

Mr. Ahmed Salam

General Manager

Head of Division – Information, Communication & Technology Division

Mr. Ahmed Salam joined MTCC in 1997 and currently holds the position of General Manager in charge of the Information, Communication & Technology Division. He is well-versed in the Company's ICT functions, having played a key role in this area through various technical and managerial positions over his 27 years of service at MTCC.

Prior to his current post, Mr. Salam served the Company as a Software Programmer and later as Manager of the Information Systems Department.

Mr. Salam holds a Bachelor's Degree in Computer Science from the University of Wollongong, Australia. He is a Certified Information Systems Security Professional (CISSP) and holds a certification in the Governance of Enterprise IT (CGEIT) from Koenig, Dubai.

Ms. Haleemath Bushra

General Manager

Head of Division – Corporate Bureau & Administration Division

Ms. Haleemath Bushra currently serves as General Manager and Head of the Corporate Bureau & Administration Division at Maldives Transport and Contracting Company (MTCC), bringing over a decade of experience in finance, accounting, and corporate administration. In this role, she oversees strategic business operations and leads corporate-level administrative functions across the Company. She plays a key role in reinforcing administrative efficiency and supporting MTCC's corporate governance framework.

Since joining MTCC, Ms. Bushra has held several key positions, including Corporate Secretary in the CEO Bureau Division, Section Manager of Inventory in the Construction and Dredging Division, and Accounts Officer in the Inventory Section. Her career reflects a strong commitment to improving operational workflows, strengthening internal controls, and supporting executive decision-making processes. She is recognized for her leadership in managing cross-functional teams and aligning departmental functions with corporate strategy.

Ms. Bushra holds a Master of Accounting and Finance from the University of the West of England (UWE Bristol) and a Bachelor of Accounting and Finance from the Maldives National University. Her areas of expertise include strategic management, corporate accounting, inventory systems, public and executive relations, and organizational leadership.

Mr. Mohamed Shamil Abdul Sattar

General Manager

Head of Division – Risk Management Division

Mr. Mohamed Shamil Abdul Sattar joined MTCC in March 2024 and currently serves as General Manager and Head of the Risk Management Division. He has spent his entire career in auditing and risk advisory and has served in major state-owned enterprises in the Maldives as well as at internationally recognized audit firms both locally and abroad. Mr. Shamil brings a wealth of expertise to MTCC in his area of specialization.

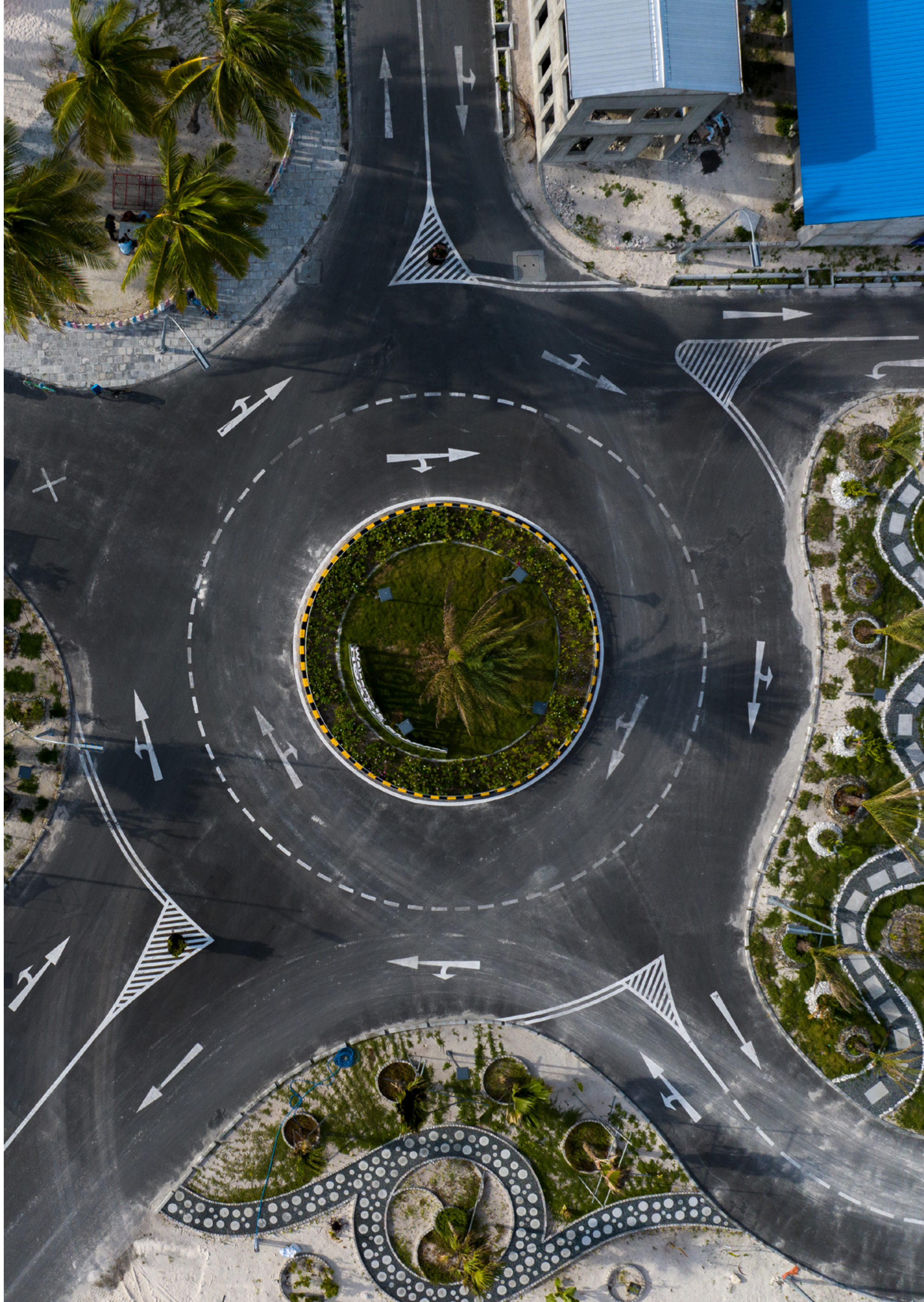
Prior to his current role, Mr. Shamil served as Audit Director at the State Electricity Company (STELCO), where he led the internal audit function. Under his leadership, the company introduced its first Audit Committee Charter, Internal Audit Charter, Internal Audit Policy, and a Competency Framework for Internal Auditors. He also played a key role in introducing Enterprise Risk Management (ERM) to the company.

From 2017 to 2018, he served as an Auditor at State Trading Organisation (STO). His international audit experience includes positions at Deloitte Touche Tohmatsu in the Philippines and KPMG in the Maldives.

Mr. Shamil holds a Bachelor of Science in Business Administration, majoring in Internal Auditing, from Far Eastern University, Philippines. He is a member of the Institute of Internal Auditors and has completed several professional and technical training programs in internal audit and risk management.

OUR BUSINESS REVIEW

MTCC's operational performance in 2024 was marked by steady execution across all core business segments, with continued emphasis on customer engagement, service coverage expansion, and internal improvements to support future scalability. Despite challenges in the broader economic environment, the Company sustained its role as a key infrastructure and public service provider while advancing long-term development goals.



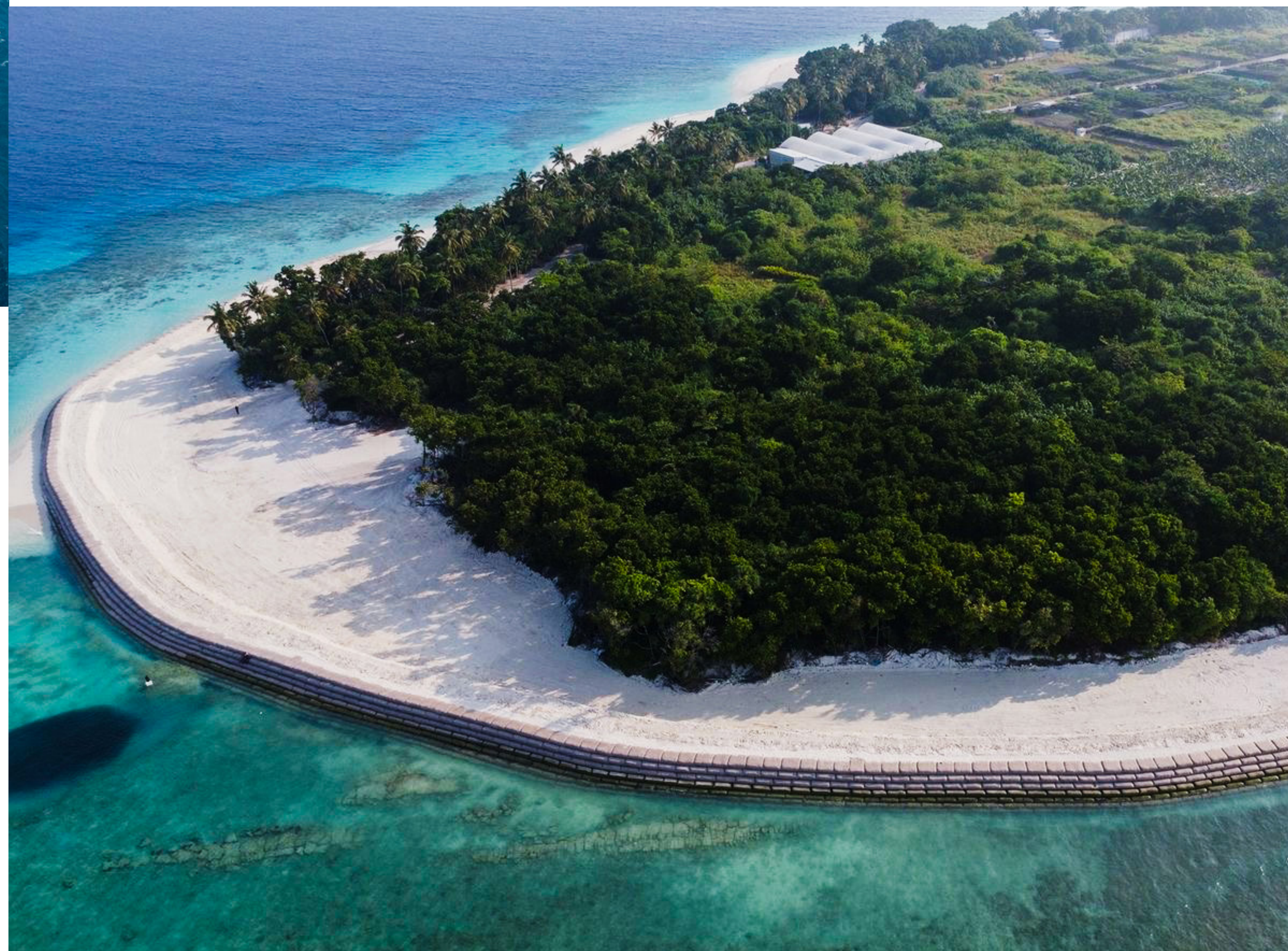
The Trading Division focused on strengthening market presence through targeted campaigns, aftersales engagement, and regional outreach. Promotional campaigns such as Roadha Promo, Suzuki Footboalha Foari, and Kashavaru Promo were launched to drive sales across marine engines, lubricants, coatings, and accessories. The division also marked 50 years of Yanmar's presence in the Maldives with a joint celebration with Yanmar Asia, and conducted widespread service campaigns to reinforce customer confidence and support.

The Construction and Dredging Division (CDD) continued to execute a diverse portfolio of nationwide infrastructure projects, while laying internal foundations for improved operational standards. Key initiatives in 2024 included a structured rollout of quality assurance protocols at work sites, reorganization of teams to improve efficiency, and the commissioning of a new dredging vessel, Bodu Jarraafa 2, which increased the Company's daily dredging capacity by 29%.

In Transport Services, MTCC continued to expand and enhance its RTL public transport operations. A new ferry service was launched to connect M. Atoll with Malé, and services in Zone 2 (Noonu Atoll) commenced with two new vessels across 14 islands. Land transport coverage was improved in Vilimalé and Hulhumalé, while digital fare systems were upgraded with the introduction of AMEX support on Tap & Go. Total ridership across all modes reached 16 million, with over 8.4 million bus passengers recorded in the Greater Malé Region.

The Shipbuilding and Repair Division continued to play a central role in servicing both the Company's fleet and external customers. A total of 181 vessels were dry-docked during the year, with cargo, safari, and fishing vesselsaccounting for the largest share. A major highlight was the successful salvage of the -3,000ton Kethi Barge off Sh. Komandoo, one of the largest such operations conducted in the Maldives. The division also made progress in expanding workshop infrastructure and completed over 2,100 technical service jobs, %74 of which were for internal fleet support.

MTCC maintained its commitment to high standards of delivery while continuing to build the capabilities required for sustained nationwide impact. The Company's wide-ranging portfolio and operational footprint position it to remain a reliable national partner in infrastructure development and essential services.



CONSTRUCTION AND DREDGING DIVISION

The Construction and Dredging Division (CDD) continues to play a pivotal role in delivering national infrastructure and development projects that support transportation, fisheries, tourism, and environmental protection across the Maldives. In 2024, the division upheld its commitment to consistent project execution while advancing a series of internal initiatives aimed at strengthening operational performance.

These initiatives centred around three key priorities that shaped the division's direction during the year.

Expanding On-Site Operational Standards was a major area of focus, with the rollout of a structured framework to guide project site setup and execution. The introduction of defined quality assurance roles and tailored quality plans helped enforce greater consistency in standards compliance, reduce on-site inefficiencies, and improve resource utilization across active projects.

Realigning Teams and Processes for Efficiency followed the organization-wide restructuring completed at the end of 2023. While the initial transition posed challenges, it ultimately enabled more effective delegation, clearer reporting lines, and better coordination of teams. The resulting structure supported faster decision-making, improved resource deployment, and enhanced overall execution quality.

Expanding Fleet Capacity was another key achievement, marked by the commissioning of Bodu Jarraafa 2. This addition to the dredging fleet increased MTCC's daily dredging capacity by 29%, reinforcing the division's readiness to deliver complex reclamation and shore protection projects at greater scale and efficiency.

SERVICE PORTFOLIO

The Construction and Dredging Division provides a comprehensive portfolio of services essential to the Maldives' national infrastructure and community development.

Core services include:

- Dredging and Reclamation
- Harbor Construction
- Shore Protection
- Building Construction
- Road Construction
- Water Supply and Sewerage Systems
- Jetty Construction
- Environmental Consultancy
- Surveying and Design Services

PROJECTS COMPLETED DURING THE YEAR

Reclamation & Shore Protection

N.MAAFARU DESIGN AND BUILD LAND RECLAMATION WORKS

Dredging & reclamation:	673,200 cbm
Drainage trench:	1,022 m

AA. ETHERE MADIVARU ISLAND 1 DREDGING AND RECLAMATION WORKS

Dredging:	165,9653.2 cbm

Shore Protection

R. INNAMAADHOO DESIGN AND BUILD SHORE PROTECTION STRUCTURES

Rock Boulder Groyne:	360 m

TH. VILIFUSHI DESIGN AND BUILD SHORE PROTECTION STRUCTURES

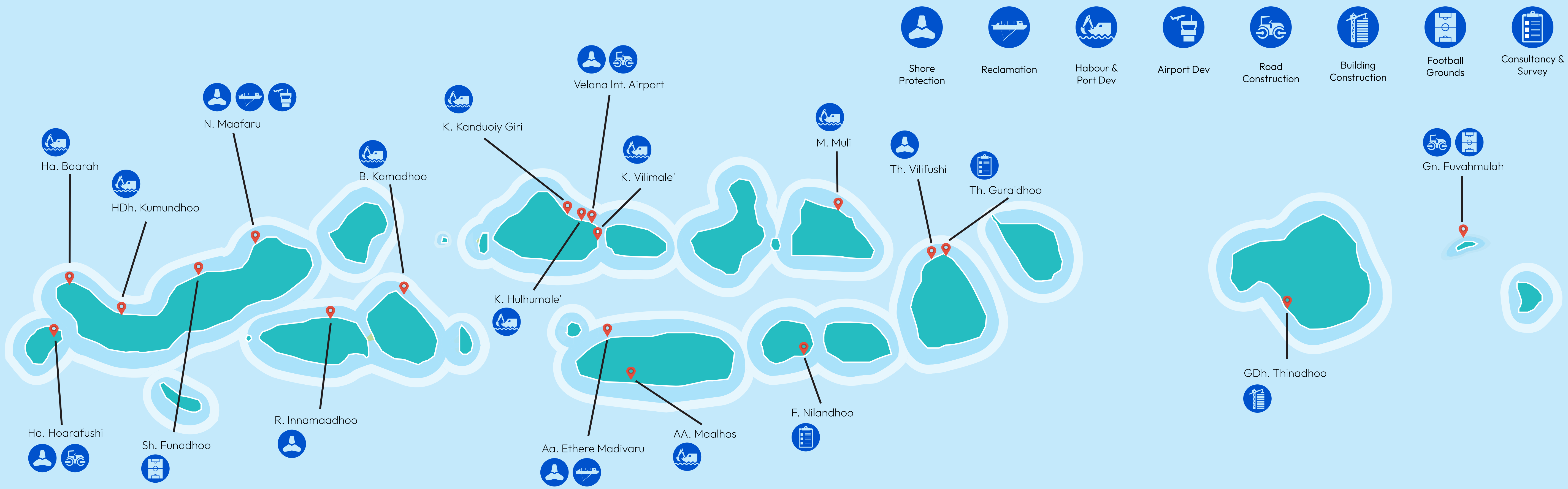
Beach Filling:	3,047 cbm
Swimming Area Dredging:	1,869 cbm
Rock Boulder Groyne:	196m
Rock Boulder Revetment:	122m
Barrier Floats	

SHORE PROTECTION FOR NORTHWEST SIDE OF VIA

Rock Boulder Revetment:	724m
Concrete Curb:	732 m
Cement Screed:	1130 sqm
RC Slab:	116 m

HA HOARAFUSHI AIRPORT DESIGN AND BUILD SHORE PROTECTION STRUCTURES

Reclamation :	27,300cbm
Geo bag Revetment :	423m
Rockboulder revetment:	878m
Groyne:	355m
Breakwater:	165m



Harbour & Port Development

K KANDUOIY GIRI
DESIGN AND BUILD HARBOUR (INCLUDING EXTENSION WORKS)

Demolition of existing sheetpile:	95 m
L Block Quay Wall:	139.58 m
New Channel / Basin Dredging:	10,000 cbm
Maintenance Dredging:	10,000 cbm
Rock Boulder Breakwater:	50 m
Rock Boulder Revetment:	95m
Concrete Graded Slab:	167.34 cbm
Harbour Lights:	9 nos.
Navigation Lights:	2 nos.
Mooring Bollards:	12 nos.
Sheet Pile Work:	209.87 m

K. VILIMALE'
DEVELOPMENT OF MARITIME SURVIVAL CENTRE PROJECT

Sheet Pile Wall:	35m
L Block Quay Wall:	33.25m
Ramp:	4.2m x 6.4m
Harbour Lights:	3 nos
Mooring Bollards:	4 nos
Modification of Container Jumping Platform	
Paving:	264.32 sqm

AA. MAALHOS
DESIGN AND BUILD OF AA. MAALHOS HARBOUR

New Harbour basin Dredging:	20,049 cbm
Channel Dredging:	1,969 cbm
Maintenance Dredging:	2,317 cbm
Rock Boulder Breakwaters:	359m
Rock Boulder Revetments:	184m
Rock Boulder Groynes:	56m
L Block Quay Wall:	403m
Ramp:	11m x 11m
Jetty:	110m x 2m
Harbour Lights:	19 nos
Harbour Paving:	2,100 sqm

M MULI
DESIGN AND BUILD HARBOUR RECONSTRUCTION

Maintenance Dredging:	38,591 cbm
Channel Dredging:	6,254 cbm
Rock Boulder Breakwaters:	491.59 m
Rock Boulder Revetments:	94.18 m
L Block Quay Wall:	487 m
Ramp:	10m x 10m
High Speed Ferry Access Platform Concrete Bridge:	34m x 3m
Harbour Lights:	27 nos
Navigation Lights:	2 nos
Harbour Paving:	2,370 sqm

HA BAARAH
CHANNEL AND MAINTENANCE DREDGING PROJECT

Channel Dredging:	49,437 cbm
Maintenance Dredging:	8600 cbm
Geobag Revetment:	453m
Installation of Navigation Lights:	6 nos

HDH. KUMUNDHOO
DESIGN AND BUILD HARBOUR CHANNEL WORKS

Dredging and Excavation:	14,301 cbm
Construction of Breakwater:	242 m
Revetment Construction:	198 m
Installation of Navigational Aids:	2 nos

B. KAMADHOO
DESIGN AND BUILD HARBOUR RECONSTRUCTION

Harbour Basin Dredging & Excavation	
Channel Dredging	
Revetment:	658 m
Breakwater:	173 m
Quaywall:	402 m
Harbour paving:	1800 sqm
Construction of Ramp	
Construction of Concrete Jetty:	80m x1.5m
Construction of Scour Apron:	402 m
Mooring bouys installation:	10 nos
Installation of Mooring Rings	
Installation of Navigational Harbour Lights:	17 nos

K. HULHUMALE'
DREDGING OF HARBOUR 1 IN HULHUMALE'

Dredging:	36,505 cbm
Stockpiling:	36,505

Airport Development

N. MAAFARU
DEVELOPMENT AND EXPANSION OF THE MAAFARU AIRPORT - PHASE 2

Geobag Revetment:	4874 m
L Block Revetment:	824 m
Reclamation:	1,045,925 cbm
Runway Extension:	32,300 sqm
Taxiway Modification:	5,600 sqm
Upgrading of existing runway asphalt:	100,000 sqm
Runway Airfield Lighting	

Road Construction

HA HOARAFUSHI
DESIGN AND BUILD MAJOR ROADS

Total Road Length:	4,952 m
Base Preparation & Asphalt Wearing Course	
Footpath & Road Crossings	
Road Signs & Street Lights	
Stormwater Drainage System	

GN, FUVAHMULAH
DESIGN AND BUILD INTERNAL ROADS

Total Road Length:	16,930 m
Base Preparation & Asphalt Wearing Course	
Footpath & Road Crossings	
Road Signs & Street Lights	
Stormwater Drainage System	

ASPHALT PAVING FOR GA PARKING AT VIA

Top Soil Removal:	59,877 sqm
Sub base Preparation:	59,877 sqm
Asphalt Concrete Wearing Course:	59,877 sqm
Storm water management system	
Mass Concrete paving:	483.36 sqm

Building Construction

GDH. THINADHOO
ISLAMIC CENTRE RENOVATION WORKS FLOOR FINISHES TILING

Wall Finishes
Ceiling Works
Installation of Doors & Windows

GDH. THINADHOO
ISLAMIC CENTRE RENOVATION - ADDITIONAL WORKS

Painting
Installation of Marble tiles
Replaced damaged tiles
Groundfloor ceiling timber frame works
Installation of AC

Football Grounds

SH FUNADHOO
FOOTBALL GROUND SUBBASE WORKS

Excavation of Sand required for Subbase:	2,400 cbm
Sub Base Preparation:	15,039 sqm

GN. FUVAHMULAH
SUB BASE PREPARATION WORKS AT DHANDIMAGU FOOTBALL GROUND

Excavation:	5,542.05 cbm
Backfilling Works:	4,578.50 cbm
Compaction	15,260.24 sqm
Construction of Gutters:	350 nos
Soak Pits:	30 nos
Paving works:	460.29sqm

Consultancy & Surveys

F. NILANDHOO
SURVEY AND EIA WORKS FOR F. NILANDHOO AIRPORT RECLAMATION

TH. GURAIDHOO
CONSULTANCY SERVICE FOR SURVEY, DESIGN AND EIA WORKS FOR DEVELOPMENT OF TH. GURAIDHOO AIRPORT

OTHER

VELANA INTERNATIONAL AIRPORT ADDITIONAL WORKS FOR THE NEW CARGO TERMINAL

Construction of Control Rooms: 8 nos
Modification Works in Cargo Terminal Building
IT Works

VIA INTERNATIONAL AND DOMESTIC TERMINAL IMPROVEMENT WORKS

Demolition Works
Construction of Domestic Terminal Services & Storage Room

OUR PRODUCT PORTFOLIO

YANMAR

Yanmar Marine Engines

The leading brand of marine diesel engines in the Maldives, Yanmar is the preferred choice of Maldivian fishermen and vessel owners, commanding 80% of the inboard marine engine market share.

Castrol

Castrol Lubricants

Globally recognized as the leading specialist in lubrication solutions, Castrol holds the position of market leader in the Maldives, with annual sales exceeding one million litres.

SUZUKI MARINE

Suzuki Outboard Engines

A globally renowned name in the marine industry, Suzuki outboard motors are known for their lightweight build, high performance, and fuel efficiency. The product line ranges from 2.5hp to 300hp and has won numerous international awards.

PPG Industrial and Marine Coatings

A premium global brand offering solution-based products for various applications, including marine coatings, antifouling systems, tank coatings, and anticorrosive coatings for diverse superstructures.

Castoldi Waterjets

Produced by Italy's pioneering Castoldi Company, this brand is considered the innovator of the waterjet propulsion system, credited with transforming the global perception of waterjet engines through its groundbreaking design.

Scott Bader

A comprehensive supplier for boat builders, offering polyester resin, gelcoat, pigment pastes, and other chemicals and waxes, along with complementary products essential to the marine construction industry.

Industrial Gas

Our offerings include oxygen, acetylene, and argon, providing customers with easy local access to essential industrial gases without the complexities of independent import and storage.

Marol Steering Systems

A leader in hydraulic and electronic marine controls, Marol Marine is known worldwide for setting the highest standards in performance and durability.

Donaldson Filters

Providing one of the most comprehensive filtration solutions in the industry, Donaldson's range covers air intake, lube, coolant, and transmission filters for marine engines, along with a variety of hydraulic filters and marine equipment accessories.

Boating Accessories

We offer a wide range of high-quality boating accessories, including maintenance-free batteries, electric water pumps, radars, blowers, floodlights, and searchlights.

Aftersales Servicing

Our service centre delivers a full suite of after-sales services, including installation, configuration, maintenance, and repairs. We also provide engine testing services for Yanmar and Suzuki engines and manage all customer warranty claims.

2024 TRADING OVERVIEW

The Trading Division continued to strengthen its leadership in the Maldivian marine, fisheries, and transport sectors in 2024, focusing on key objectives such as customer retention, identifying evolving customer needs, expanding outreach, and enhancing service excellence across its diverse product portfolio. Through a combination of targeted campaigns, industry collaborations, and internal development, the division maintained its reputation for quality and reliability despite a challenging market environment.

SALES PROMOTION TRIPS 2024

Throughout the year, the Trading Division carried out focused sales promotion trips across multiple atolls to strengthen customer relationships, promote targeted products, and identify new sales opportunities.

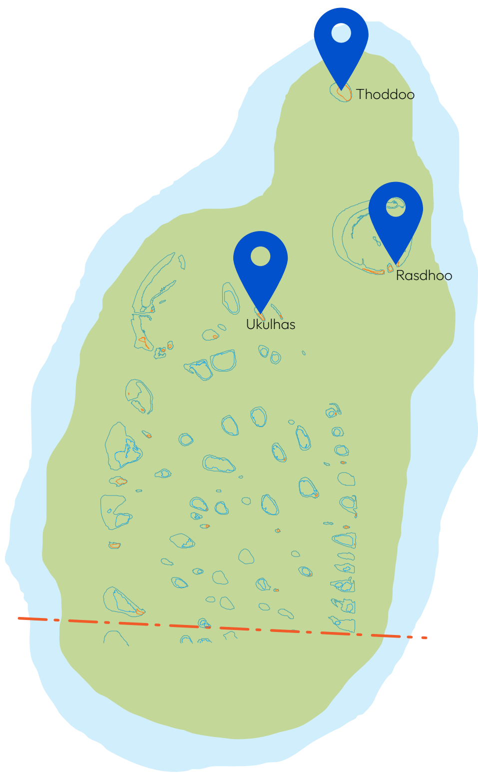
During these trips, the team conducted engine inspections, provided maintenance and spare parts recommendations, identified potential customers for follow-up, and promoted special discounts, particularly under the Kashavaru Promo, all of which helped support sales targets and strengthen MTCC's presence across the Maldives.

Outreach 2024: Geographic spread of sales promotions, service campaigns, and key customer engagement activities conducted by MTCC's Trading Division across the Maldives.

Description	Atoll
June 2024, Ukulhas, Rasdhoo, Thoddoo, Suzuki Service Program / Sales Promotion	AA. Atoll
June 2024, Meedhoo, Bandidhoo, Kudahuvadhoo, Suzuki Service Program / Sales Promotion	DH. Atoll
July 2024, Funadhoo, Kanditheemu, Komandoo, Suzuki Service Program / Sales Promotion	SH. Atoll
June 2024, Hoarafushi (main focus site), Yanmar Service Campaign	HA. Atoll
December 2024, Innamaadhoo, Meedhoo, Alifushi, Vaadhoo, Kashavaru Sales Promotion	R. Atoll
December 2024, Gan, Fonadhoo, Maamendhoo, Kashavaru Sales Promotion	L. Atoll
Ongoing (multiple months), Malé, Hulhumalé, Thilafushi, Roadha Promo, Kashavaru Sales Promotion	Greater Malé Region

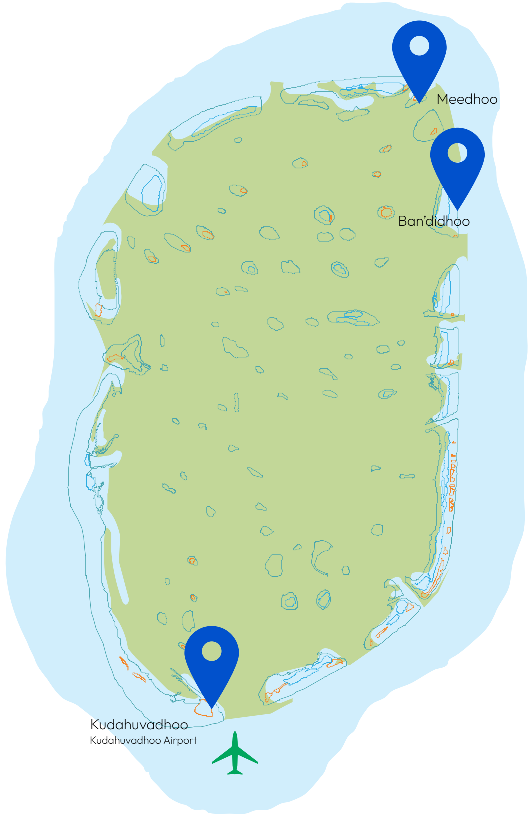
ALIFU ALIFU ATOLL

JUNE 2024,
UKULHAS, RASDHOO, THODDOO,
SUZUKI SERVICE PROGRAM / SALES
PROMOTION



DHAALU ATOLL

JUNE 2024,
MEEDHOO, BANDIDHOO, KUDAHUVADHOO,
SUZUKI SERVICE PROGRAM / SALES
PROMOTION



SHAVIYANI ATOLL

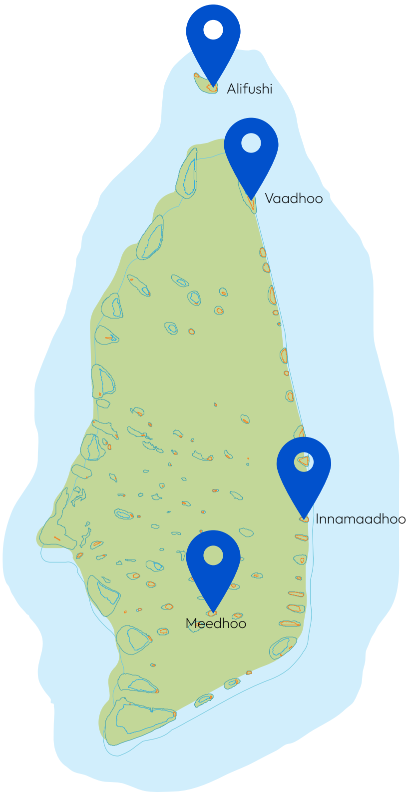
JULY 2024,
FUNADHOO, KANDITHEEMU, KOMANDOO,
SUZUKI SERVICE PROGRAM / SALES
PROMOTION

HAA ALIFU ATOLL

JUNE 2024,
HOARAFUSHI (MAIN FOCUS SITE),
YANMAR SERVICE
CAMPAIGN

RAA ATOLL

DECEMBER 2024,
INNAMAADHOO, MEEDHOO, ALIFUSHI,
VAADHOO,
KASHAVARU SALES
PROMOTION



LAAMU ATOLL

DECEMBER 2024,
GAN, FONADHOO, MAAMENDHOO,
KASHAVARU SALES
PROMOTION

GREATER MALÉ REGION

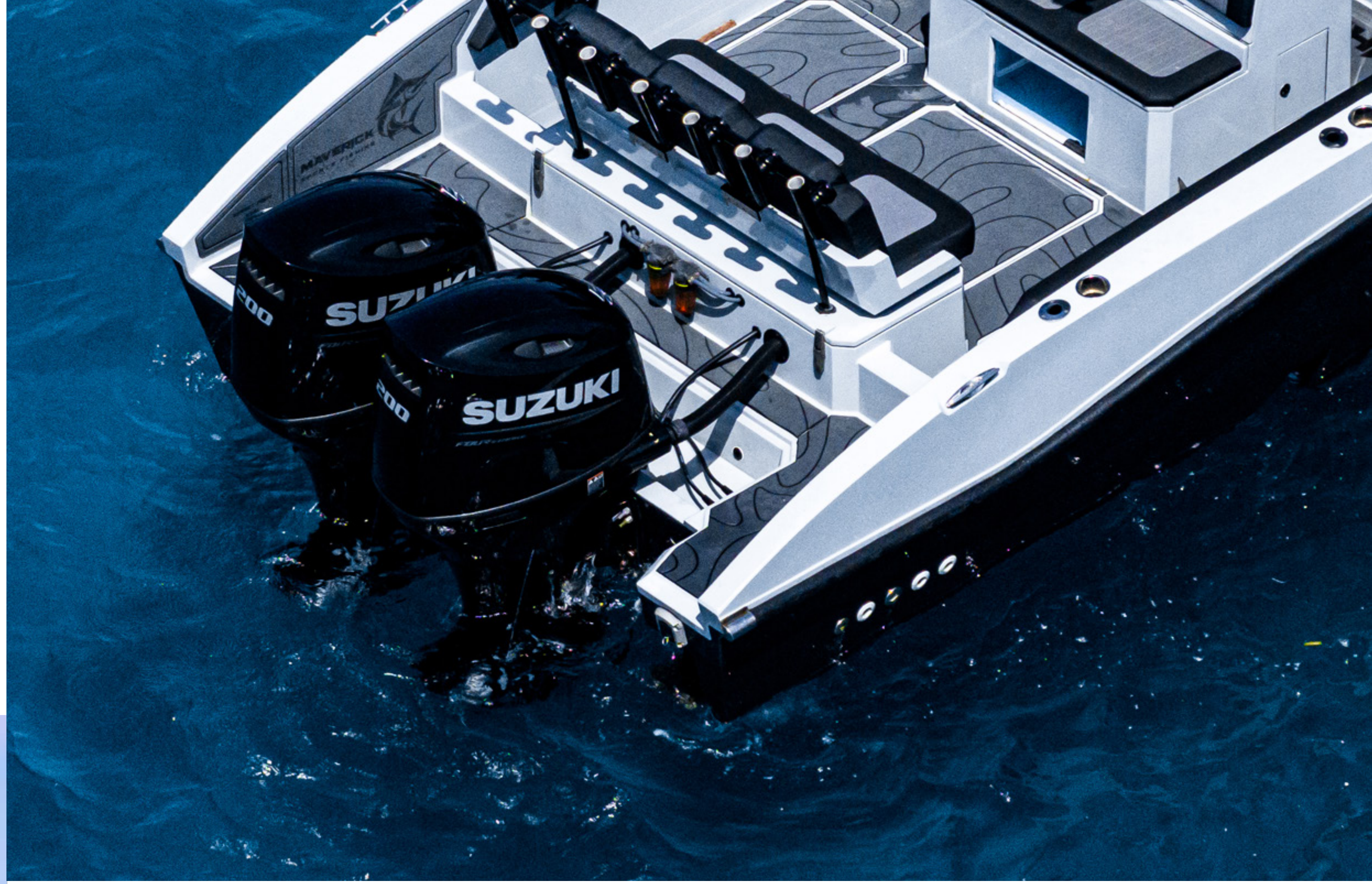
ONGOING (MULTIPLE MONTHS),
MALÉ, HULHUMALÉ, THILAFUSHI,
ROADHA PROMO,
KASHAVARU SALES
PROMOTION

YANMAR SERVICE CAMPAIGN 2024

HA Atoll – June 2024

As part of MTCC's commitment to customer support, the Yanmar Service Campaign 2024 was conducted in HA Atoll from 4–8 June 2024.

The campaign focused on raising awareness about the importance of using genuine spare parts, discussing engine overhaul schedules, and providing timely spare part planning. The service team offered hands-on technical advice on maintenance and operational best practices, reinforcing customer trust and strengthening MTCC's reputation for dependable aftersales service.



SUZUKI SERVICE PROGRAM 2024

AA. Ukulhas, Rasdhoo, Thoddoo – June 2024
DH. Meedhoo, Bandidhoo, Kudahuvadhoo – June 2024
SH. Funadhoo, Kanditheemu, Komandoo – July 2024

Launched on May 29, 2024, as a two-month initiative, the annual Suzuki Service Program continued its mission to support Suzuki engine users through focused technical inspections and customer engagement.

MTCC teams visited multiple islands to conduct vessel inspections, recommend maintenance actions, and identify spare part needs in alignment with overhaul plans. These efforts were vital in improving customer awareness, ensuring operational readiness, and strengthening MTCC's relationship with Suzuki engine users.

MAJOR PROMOTIONAL EVENTS 2024

Several major promotional events were rolled out in 2024 to drive sales, reduce inventory levels, and increase engagement across key customer segments.

Roadha Promo (February–April 2024):

Launched in time for Ramadan, this promotion offered discounts and prize draw entries, with every MVR 5,000 transaction earning a coupon toward winning an Umra trip for two.

Suzuki 'Footboalha Foari' Campaign (May–July 2024):

Launched in May 2024, this two-month campaign focused on boosting sales of Suzuki engines, accessories, spare parts, oil, and Marol steering systems, offering attractive discounts to customers across the tourism, fisheries, transportation, and engineering sectors.

Kashavaru Promo (December 2024):

The year-end Kashavaru Promo offered significant discounts on a wide range of products, targeting industrial boat builders, dockyards, engineering service providers, guesthouses, liveaboards, resorts, ferry operators, and local fishermen through direct promotional visits.

CELEBRATING 50 YEARS OF YANMAR IN THE MALDIVES

A major milestone in 2024 was the joint celebration by MTCC and Yanmar Asia (Singapore) Corporation, marking 50 years of Yanmar's presence in the Maldives.

This commemorative event, organized by MTCC, reflected on the remarkable journey of partnership and achievement, recognizing Yanmar's transformative role in the fisheries, transportation, and marine sectors. A dedicated delegation from Yanmar provided valuable insights into advanced vessel technologies and sustainable practices, reinforcing the shared commitment to future innovation and growth.

KEY CUSTOMER ENGAGEMENTS 2024

Throughout 2024, the Trading Division maintained close engagement with major existing and potential customers, holding consultations to discuss specific requirements, explore projects, and tailor solutions to their needs.

Special focus was placed on increasing sales to resort customers, reflecting the rising demand for high-performance marine engines, generators, coatings, and accessories in the tourism sector. Meetings were also held with industrial boat builders, ferry operators, and logistical service providers to strengthen relationships and explore long-term collaboration opportunities.

ODIVERINGE FORUM

In conjunction with National Fishermen's Day, MTCC organized the Odiveringe Forum 2024, a key industry platform for exploring advanced technologies and sustainability solutions for the fisheries sector.

MTCC, together with a delegation from Yanmar, showcased innovations aimed at improving vessel efficiency, safety, and environmental performance. This engagement reaffirmed MTCC's commitment to supporting the sustainable advancement of the Maldivian fishing industry.

SUZUKI BEACH CLEANUP

As part of Suzuki's global "Clean Up the World" initiative, MTCC staff organized the Suzuki Beach Cleanup 2024 at Hulhumalé Phase 2, collecting over 421 kilograms of waste.

This environmental initiative reflected MTCC's broader commitment to corporate social responsibility and marine ecosystem protection, aligning with global sustainability efforts.

STAFF TRAINING AND DEVELOPMENT 2024

The Trading Division prioritized staff development in 2024, delivering a wide range of technical, operational, and customer-focused training programs.

Key initiatives included:

Technical Product and Service Training (Yanmar, Suzuki, PPG, Castrol, Marol, industrial gas)
Customer Service Excellence Training (multiple batches to improve interaction quality)
Operational and Systems Training (ERP modules, QMS implementer sessions, policy briefings)
Specialized Workshops (leadership, time management, health and safety, healthy lifestyle, photography basics, Training of Trainers)

These programs have enhanced the division's technical expertise, customer engagement capabilities, and operational efficiency, supporting its ongoing success and growth.

TRANSPORT SERVICES DIVISION

MTCC's Transport Division continues to deliver essential public transport services across the country, connecting islands and atolls through an expanding integrated system of marine and land-based transit. The division plays a vital role in enabling mobility, supporting economic activity, and improving access to essential services. In 2024, efforts remained focused on expanding network coverage, improving service quality, and introducing convenient, tech-driven enhancements to the overall passenger experience.

MARINE TRANSPORT SERVICE PORTFOLIO

Ferry Link East	
Hulhumale' Ferry	Hulhumale' Ferry Service

Ferry Link West	
Villimale' Ferry Service	Ferry Service between Male' and Villimale'
Thilafushi Ferry Service	Ferry Service between Male' and Thilafushi
Gulhifalhu Ferry Service	Ferry Service between Male' and Gulhifalhu
Cargo Service	Cargo delivery service to and from Male', Villingili, Gulhifalhu & Thilafushi.

Intra Atoll & Inter Atoll Ferry Services (Comprehensive Transport Network)	
Zone 1	Haa Alifu, Haa Dhaalu & Shavi-yani Atoll
Zone 2	Noonu, Raa, Baa & Lhaviyani Atoll
Zone 3	Kaafu, Alifu Alifu, Alifu Dhaalu & Vaavu Atoll
Zone 4	Meemu, Faafu, Dhaalu, Thaa & Laamu Atoll with high-speed ferry service in Meemu Atoll
Zone 5	Gaafu Alifu & Gaafu Dhaalu Atoll
Zone 6	Addu City & Fuvahmulah City

RTL Highspeed ferry service	
Zone 1	Haa Alifu, Haa Dhaalu & Shavi-yani Atoll
Zone 2	Lhaviyani & Noon Atoll
Zone 5	Gaafu Alifu & Gaafu Dhaalu Atoll
Zone 5 to Zone 6	Highway link between the zones

LAND TRANSPORT SERVICE PORTFOLIO

Greater Male' Region Bus Services	
RTL Bus Services	Male' – Hulhumale' Phase I Male' – Hulhumale' Phase II Male' – Velana International Airport Hulhumale' Phase I – Hulhumale' Phase II Hulhumale' Phase I - Velana International Airport Hulhumale' Phase II - Male' Hulhumale' Phase II – Velana International Airport

Male' Bus Services	
Male' Minibus Service	Male' minibus service provided on three routes

Villimale' Bus Services	
Villimale' Minibus Service	Villimale' minibus service on 2 routes

Addu City Bus Services	
RTL Bus Services	School service Hithadhoo – Gan Hulhumeedhoo

Fuvahmulah City Bus Services	
RTL Bus Services	Fuvahmulah minibus service provided on 3 routes

Laamu Atoll Bus Services	
RTL Bus Services	Fonadhoo – Gan Thun'di

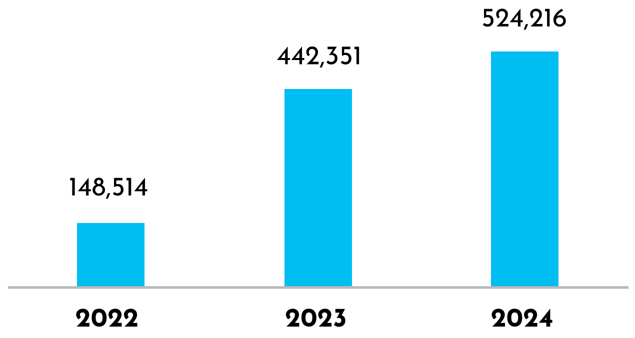
Kulhudhuffushi City Bus Services	
RTL Bus Services	Kulhudhuffushi minibus service provided on 2 routes

H.A. Dhidhdhooo Bus Services	
RTL Bus Services	Dhidhdhoo minibus service provided on 1 route

Charters & Private Hire	
Private Hire	Bus and car hire service within Hulhumale' and between Hulhumale', VIA and Male'

MARINE TRANSPORT: ROUTE EXPANSIONS AND FLEET ADDITIONS

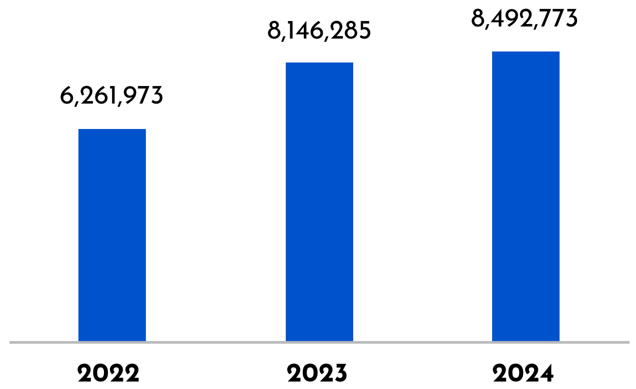
In April 2024, MTCC launched a new connection between Meemu Atoll and Malé through the Meemu Atoll Speed Ferry Service, improving access to the capital and reducing travel times for residents. The network expanded further in the third quarter with the introduction of services in RTL Zone 2, Noonu Atoll, where two speedboats were deployed across three routes serving 14 islands. To support this growth and enhance operational capacity, the marine fleet was strengthened with the addition of two new vessels, RTL-125 and RTL-126.



RTL ferry ridership (all zones) 2022 - 2024

LAND TRANSPORT: SERVICE ENHANCEMENTS

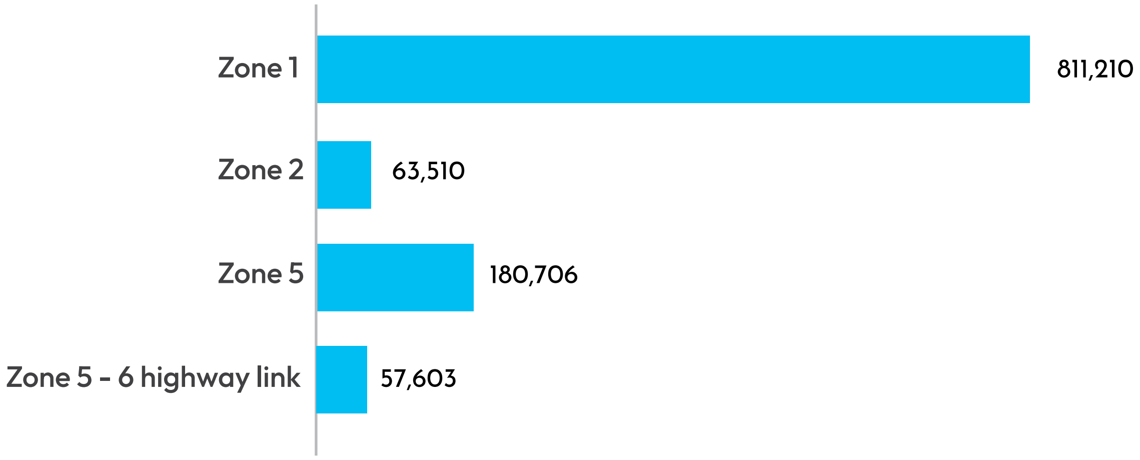
As part of continued efforts to enhance public transport and improve convenience for commuters, new bus stops were introduced in the Greater Malé Region to serve the Vinares and MPL flats, enhancing access in areas experiencing growing residential demand. With the population of Hulhumalé steadily increasing as new housing projects are completed, the expanded coverage helps ensure that transport services remain responsive to the needs of expanding communities. In Vilimalé, the internal bus service (R14) was also expanded in April 2024, offering more frequent and accessible travel within the island.



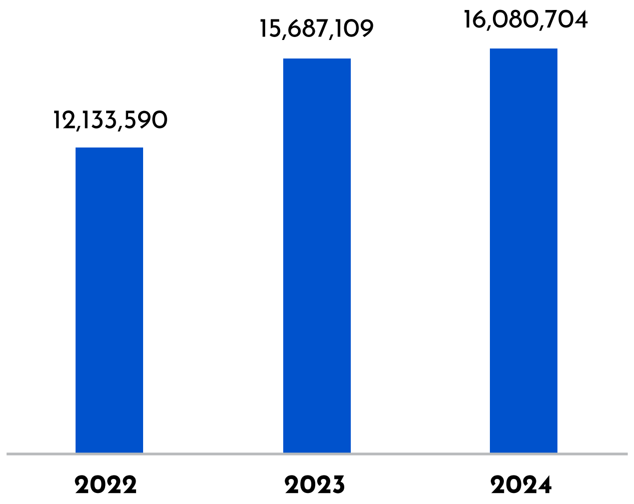
RTL bus ridership Male' 2022 - 2024

DIGITAL INTEGRATION AND PAYMENTS

As part of MTCC's ongoing commitment to modernizing public transport through digital innovation, support for AMEX card payments was introduced to the 'Tap & Go' system on RTL bus and ferry services in the Greater Malé Region. Launched in June 2024, this upgrade builds on a multi-year effort to streamline fare collection, reduce transaction time, and offer commuters greater payment flexibility and convenience.



RTL ferry ridership by zone 2022 - 2024



Passengers carried on all modes 2022-2024

RIDERSHIP GROWTH ACROSS MODES

Total passenger numbers across all RTL transport modes reached 16,080,784 in 2024, continuing a strong upward trend from 15.7 million in 2023 and 12.1 million in 2022. This sustained growth reflects not only increasing reliance on public transport, but also the growing usefulness and relevance of RTL services in enabling daily mobility, supporting livelihoods, and delivering much-needed rapid connectivity between islands and communities across the Maldives.

A significant share of this growth continues to be driven by RTL Bus Services in the Greater Malé Region, where commuters increasingly choose public transport for its convenience, affordability, and reliability. In 2024, RTL buses served 8,492,773 passengers, up from 8,146,285 in 2023, underlining the essential role of the service in meeting the everyday transport needs of urban residents.

Ferry ridership also saw a steady rise, reaching 524,216 in 2024, compared to 442,351 in 2023 and just 148,514 in 2022, highlighting the growing public confidence in the expanding marine network.

ENGINEERING AND REPAIR DIVISION

The Engineering and Repair Division continues to serve as the backbone of MTCC's vessel repair, docking, and fabrication operations, offering a range of services to both internal and external clients. In 2024, the division focused on maintaining high service standards across multiple disciplines while strengthening its infrastructure to support future growth in fabrication and repair capacity. Ongoing efforts to expand the existing facilities with the goal of accommodating larger vessels and attracting a broader base of external customers, remained a key strategic priority, building on plans pursued over recent years.

FACILITIES AND SERVICES

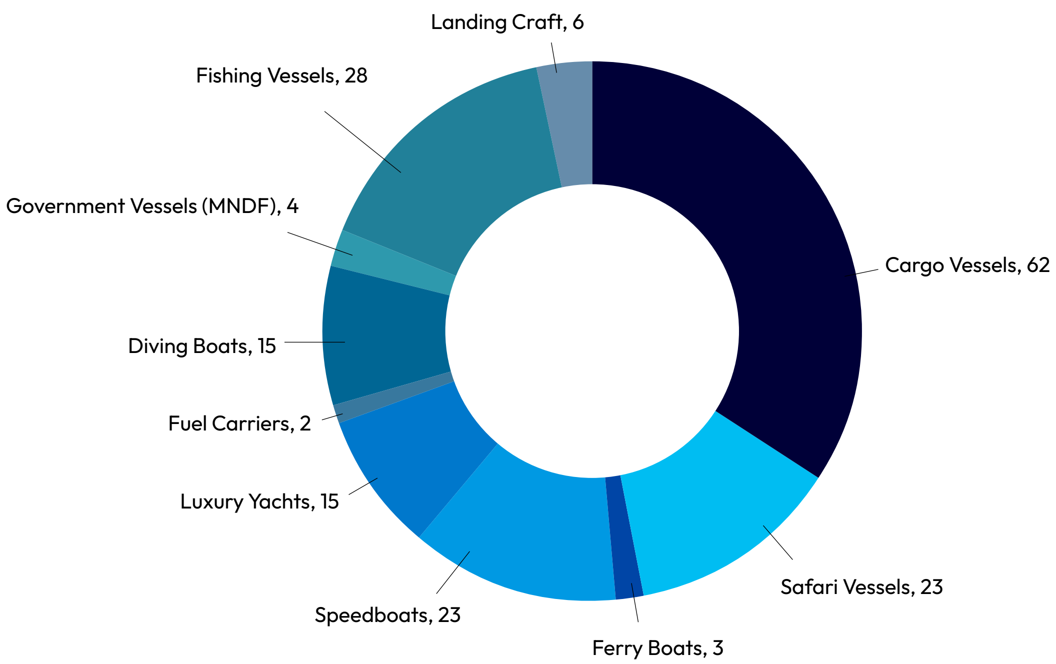
MTCC's Engineering and Repair Division operations are based in Thilafushi, Malé Atoll. The facility is equipped with a 200-tonne boat hoist and a 200-metre slipway, supporting a wide range of vessel types. Docking services continue to be offered through multiple methods including cranes with duplex slings, slipway systems, boat trailers, and air bag technology, enabling the division to accommodate vessels of varying sizes. These services are supported by a comprehensive suite of engineering capabilities spanning welding, fabrication, machining, electrical and mechanical repairs, and vessel finishing work.

Facilities	Services
Handling & Docking	Dry-docking, loading & unloading and ancillary services, and overall boatyard operations.
Welding & Metal Fabrication	Welding and fabrication of metal structures for vessels.
Marine Engineering	Repair and maintenance of engines, generators and drive systems for all types of vessels, as well as servicing of main and auxiliary equipment.
Fibre & Wood works	Fibreglass and woodwork related to repair of vessels.
Machine-shop	Fabrication and machining services across various materials, including metal, wood, and rubber.
Electric & Electronics	Electrical and electronic services for dry-docked vessels and the boatyard premises
Maintenance & Support Service	Provision of freshwater and electricity to customers, and repair and maintenance of accommodation buildings and associated facilities.

WORK CONDUCTED DURING THE YEAR

Docking Services

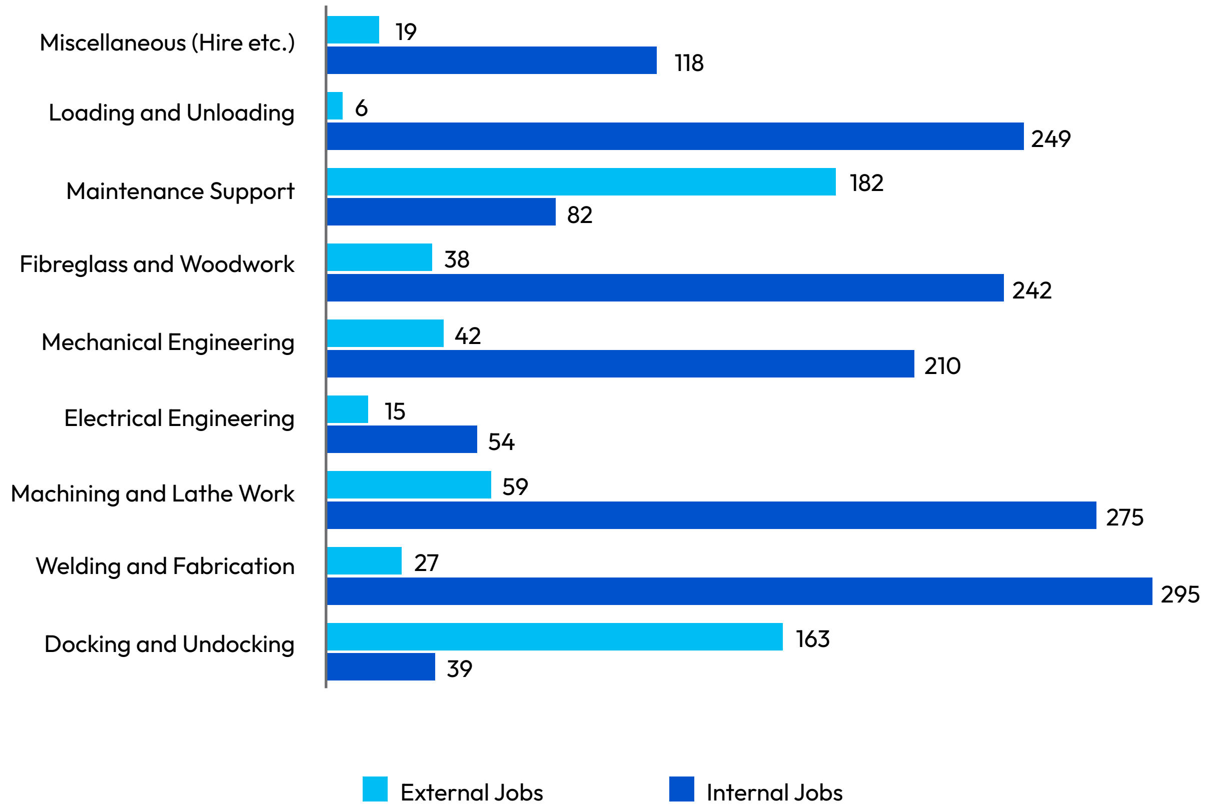
In 2024, a total of 181 vessels were serviced at the MTCC shipyard in Thilafushi. Cargo vessels made up the largest category, accounting for 34% of all docked vessels. This was followed by fishing vessels (15%), speedboats and safari vessels (each 13%), and diving boats and luxury yachts (each 8%). Other vessel types included landing craft (3%), ferry boats (2%), government vessels (2%), and fuel carriers (1%).



Engineering and Support Services

MTCC's Engineering and Repair Division provides a wide spectrum of technical services essential to vessel upkeep and marine operations. These include diagnostics, overhauls, welding and fabrication, mechanical and electrical repairs, fibre and woodwork, and various forms of marine support.

In 2024, a total of 2,115 technical service jobs were undertaken, of which 74% were carried out for the Company's own fleet and 26% for external customers.



Kethi Barge Salvage

One of the most significant achievements of the year was the successful salvage of the Kethi Barge, which had sunk near Sh. Komandoo. The aft section was submerged at a depth of 14 meters, while the fore section remained grounded. MTCC's salvage team successfully refloated the 3,000-ton barge in July 2024, removing over 4,000 tons of water. This operation is considered one of the largest and most complex salvage efforts ever undertaken in the Maldives.

INFRASTRUCTURE IMPROVEMENTS

In 2024, the Engineering and Repair Division made steady progress in enhancing its physical infrastructure to support improved workflow, safety, and service capacity. These developments are part of a broader strategy to position the MTCC Shipyard as a more capable and efficient marine repair and fabrication facility, aligned with future expansion goals.

- **Welding Workshop:** Construction of a dedicated welding workshop is underway, with 40% of the planned works completed by year-end. Once operational, this facility is expected to centralize welding operations, improve safety, and enhance turnaround times for fabrication-related tasks.
- **Machine Shop Unit Workshop Area:** This facility was completed in 2024 and is now fully operational. The unit adds capacity to the division's machining and lathe capabilities, enabling more complex and time-sensitive mechanical repairs to be conducted in-house.
- **Marine Unit Workshop Area:** This workshop specialised for marine engineering operations reached 80% completion by the end of the year. It is designed to improve workflow efficiency in areas such as engine overhauls, pump repairs, and propulsion system servicing.

These infrastructure improvements are expected to enhance efficiency, improve safety compliance, and support the division's capacity to serve both internal and commercial clients with greater efficiency in 2025 and beyond.

STAFF TRAINING AND DEVELOPMENT

Recognizing the importance of technical competency and customer service in a high-skill operational environment, the Engineering and Repair Division placed continued emphasis on staff training in 2024. A combination of in-house programs and external certifications were used to build capacity across a range of functions:

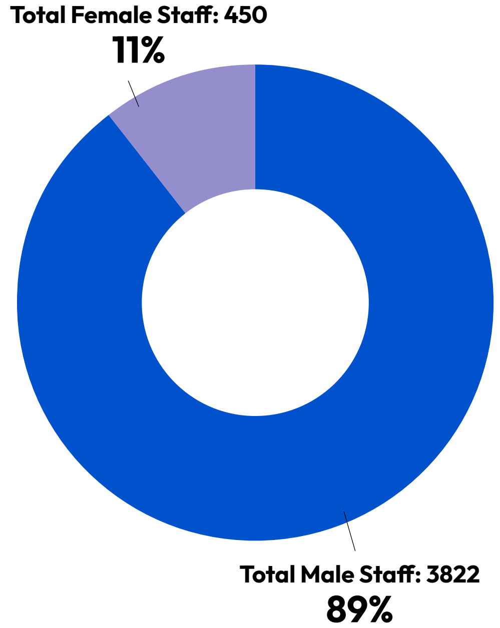
- **Basic Customer Service and Fire Safety Training:** Conducted for six team members, this program aimed to improve frontline engagement with clients and reinforce workplace safety protocols.
- **PPG Technical and Production Training:** Nine team members received specialized training in PPG's coating systems and application methods, strengthening the division's capacity to handle a broader range of marine coating and painting tasks.
- **Sprint Team Training:** Nine employees participated in team-based performance enhancement workshops, designed to strengthen collaborative problem-solving, communication, and leadership at the operational level.
- **Maavadi Course:** One of our team members completed the Maavadi Course, strengthening the division's woodwork capabilities.

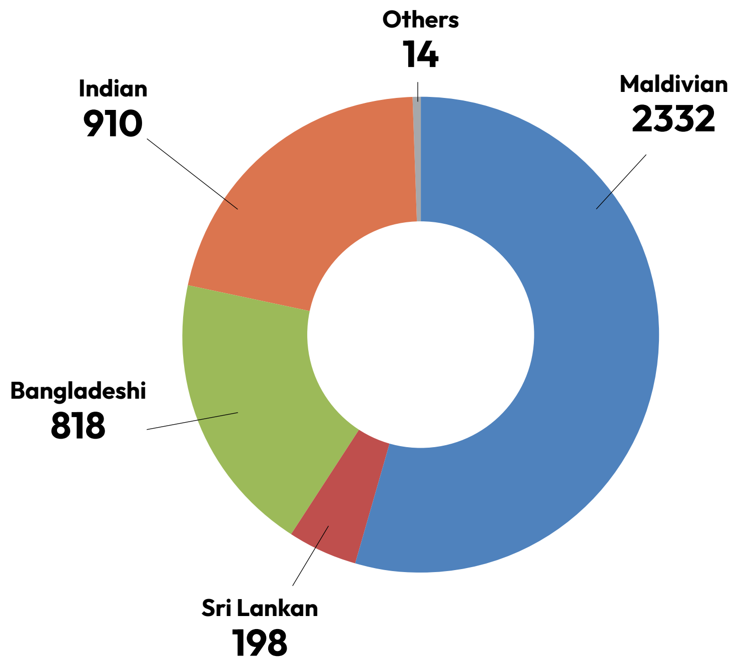
HUMAN RESOURCES DIVISION

In 2024, the Human Resources Department continued to prioritize workforce development, training, and organizational support across all divisions. Efforts remained focused on building internal capacity, enhancing staff engagement, and investing in skills development to align with the company's growing operational needs.

As of 31 December 2024, MTCC employed a total of 4,272 staff, marking a year-on-year decrease in workforce of 5%.

DIVERSITY





The company's workforce at the end of 2024 consisted of 89% male staff (3,822) and 11% female staff (450). While male employees continue to represent the majority, MTCC is gradually increasing female participation across technical, administrative, and managerial roles. This upward trend reflects the company's ongoing efforts to promote gender diversity and create more inclusive opportunities in traditionally male-dominated fields.

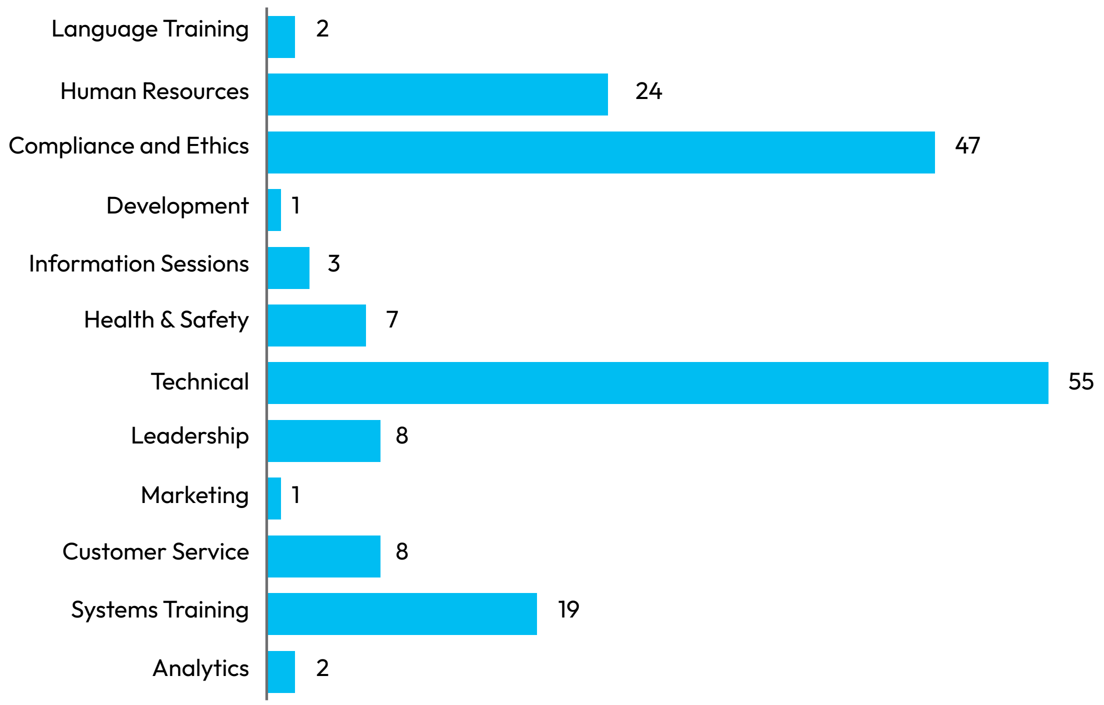
In terms of nationality, Maldivians made up the majority of the workforce (2,332 staff), with strong representation from India (910) and Bangladesh (818). Smaller segments included staff from Sri Lanka (198) and other nationalities (14). This blend of local and international talent supports the company's growing operational scale while contributing to skills transfer and workforce development across sectors.

TRAINING AND DEVELOPMENT

No. of training programs conducted	No. of person hours of training	No. of staff trained
177	13,541	1216

Training and capacity-building remained a central focus for the Human Resources Division in 2024. A total of 1,216 employees received training during the year, completing over 13,541 training hours across 177 structured programs. The company invested MVR 7.8 million in staff training and development, reflecting its continued commitment to equipping employees with the skills needed to support evolving operational demands.

KEY AREAS OF TRAINING



The majority of training programs in 2024 focused on technical skills, compliance and ethics, and human resource management, reflecting the company's operational priorities and emphasis on maintaining high standards in performance, governance, and workforce capability.

In addition, 11 staff members were enrolled in long-term overseas training programs under the Human Resource Development Program.

HUNAVARU PROGRAM

The Hunavaru Program is a workforce licensing initiative aimed at equipping Maldivians with certified skills for technical roles, particularly in the construction and engineering sectors. Based on MTCC's experience as a leading employer and market participant, the program identifies priority areas where formal licensing and hands-on training can help address skills shortages and enhance employability in the national job market.

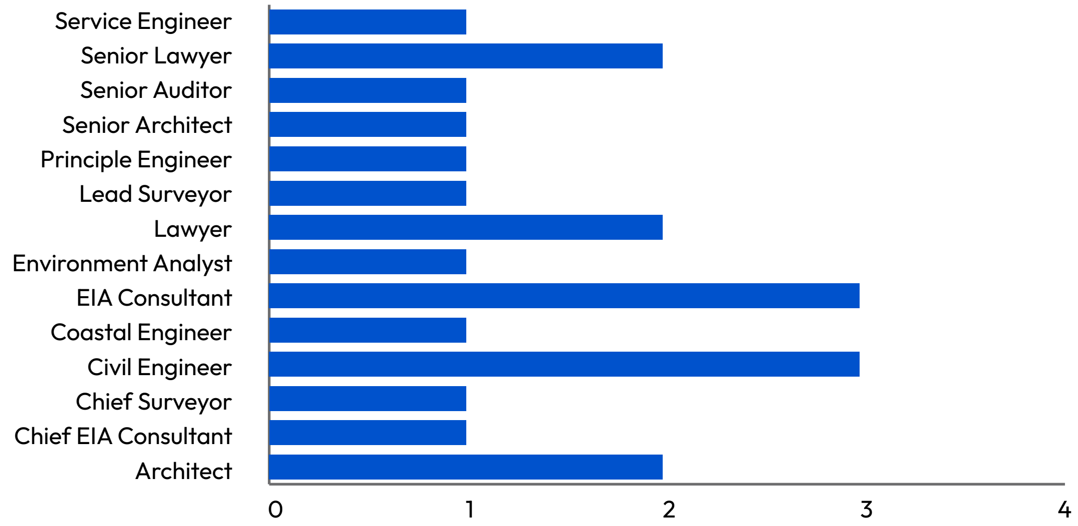
Through structured training, participants acquire the practical experience and certifications needed to meet regulatory requirements and increase their competitiveness in the field. The company also benefits when licensed participants choose to continue their careers with MTCC following the program.

In 2024, a total of 14 candidates took part in the program. Eight participants successfully passed their assessments and are now employed by the company.

Trade	No. of Participants
Electrician - Hunavaru Trainee	2
Marine Mechanic - Hunavaru Trainee	2
Tinker - Hunavaru Trainee	2
Mechanical & Hydraulic - Hunavaru Trainee	1
Mechanic - Hunavaru Trainee	1

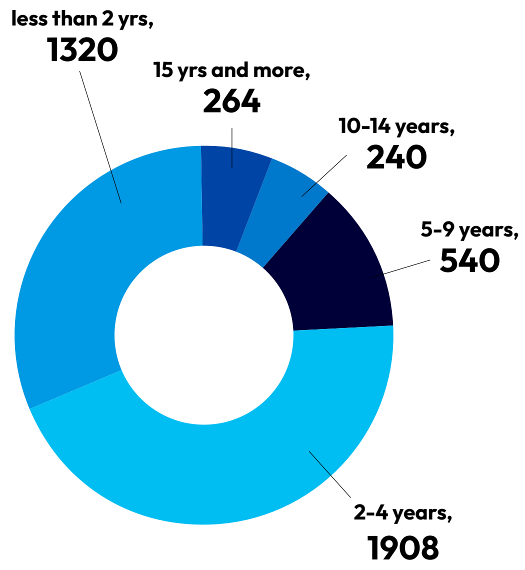
CERTIFIED TECHNICAL AND PROFESSIONAL STAFF

MTCC's infrastructure and environmental projects are supported by a dedicated team of certified experts in fields such as civil and coastal engineering, environmental impact assessment, surveying, law, and architecture. Their specialized knowledge and qualifications ensure rigorous compliance, precise planning, and high-quality execution. Continued investment in professional development will further enhance this critical capability.



WORKFORCE TENURE AND RETENTION

As at the end of 2024, a significant portion of MTCC's workforce, over 45% had been with the company for between 2 to 4 years, reflecting strong employee retention during a period of operational expansion. While 1,320 staff were in their first two years of service, 1,044 employees had remained with the company for 5 years or more, including 264 staff with over 15 years of service. This distribution highlights both the company's role as a stable long-term employer and its ability to integrate new talent effectively into the organization.



STAFF WELFARE AND RECOGNITION

MTCC continued to honour and support its employees through a range of welfare initiatives in 2024. Under the company's Hajj Policy, three long-serving employees and their dependents were granted the opportunity to perform the Hajj pilgrimage. In line with the Retirement Policy, four retiring staff members received financial benefits, service awards, and formal recognition for their contributions. Additionally, through the Employee Benefit Policy, support was extended to the families of four deceased employees, reflecting the company's ongoing commitment to staff and their families during times of need.

CLUB MTCC

Club MTCC remained the heart of social engagement at MTCC in 2024, actively promoting unity, well-being, and a vibrant team spirit through diverse recreational, cultural, and sporting activities. A major milestone this year was the rebranding of Club MTCC under the new brigade system, introduced during the company's 44th Anniversary, named "Odi Unity." This reorganization aims to foster broader participation and inclusivity through a more dynamic approach in organizing activities.

CLUB ACTIVITIES 2024

11th Inter-Office Billiard Championship

Club MTCC sponsored a 12-member team to represent MTCC in the 11th Inter-Office Billiard Championship, organized by the Maldives Pool and Billiard Association. The event showcased MTCC's involvement in non-traditional sports and its support for staff with diverse interests.

37th National Debate Competition

Three MTCC staff members participated in the national debate competition hosted by Dhivehi Bahuge Academy in February 2024. This was a proud representation of MTCC's intellectual capital and communication skills at a national level.

Ramadan 1445 – MTCC Tharaavees

In March, Club MTCC held a special Tharaavees event to mark the Holy Month of Ramadan. The gathering took place at the MNU Business School Auditorium and featured a darus by Dr. Ali Zahir.

MTCC Euro Fantasy Football League 2024

In conjunction with UEFA Euro 2024, Club MTCC hosted a Fantasy Football League competition among staff. The friendly online tournament fostered camaraderie and enthusiastic engagement among football fans across the company.

MTCC Premier Fantasy Football League 2024

Held alongside the 2024/2025 English Premier League season, this internal league continued to draw high staff participation, strengthening workplace engagement through shared passion for sports.

Ooredoo Mas Race 2024

Held on August 9th in K. Himmafushi, Club MTCC fielded a 12-member team for the 2024 Ooredoo Mas race, a highly anticipated recreational fishing tournament. The event provided a unique bonding experience for participants and offered an enjoyable day at sea, reinforcing team spirit outside the office setting.

Zig-Zag Inter-Office Futsal Tournament 2024

Team MTCC participated in this competitive inter-office tournament held in Kulhudhuffushi City in October 2024, marking the Club's continuous efforts to promote sports engagement and build inter-office sportsmanship.

Club Maldives Cup 2024

Club MTCC took part in the prestigious Club Maldives Cup Futsal Tournament, held in Hulhumalé from 23rd September 2024. Participation in this high-profile event continues to be a key sporting highlight for MTCC, allowing its futsal talent to shine on a larger platform.

Suzuki Beach Cleanup 2024

On 18th October 2024, MTCC staff, under the banner of Club MTCC and as part of Suzuki's global "Clean Up the World" campaign, cleaned the Hulhumalé Phase 2 beach area, collecting a notable 421.34 kg of waste. This initiative reflected the Club's strong commitment to environmental sustainability and community well-being.

MTCC 44th Anniversary

On 18th December 2024, MTCC celebrated its 44th Anniversary with a large staff gathering at the Maafannu Bus Terminal. The Managing Director, DCP (Retd.) Ahmed Saudhee, delivered an inspiring address outlining MTCC's future vision. As part of the celebrations, Club MTCC was rebranded under the new "Odi Unity" brigade system, designed to boost inclusion and ownership in company-wide activities.

Club Executive Committee Election 2024

A new Executive Committee for Club MTCC was elected on 12th December 2024, organized by the HR Division. The elected team will lead Club MTCC into 2025 with a renewed mandate to energize and expand employee engagement across the company.

CORPORATE SOCIAL RESPONSIBILITY

At MTCC, our commitment to corporate social responsibility (CSR) is deeply rooted in our identity and corporate values. We believe that contributing to national wellbeing and social development is inseparable from the role we play as a leading public company. CSR is not just a complementary effort, it is embedded into the way we operate across the Maldives.

With a presence in multiple islands at any given time, we are uniquely positioned to implement meaningful initiatives by leveraging our on-site resources, teams, and logistical capabilities. We also work closely with local councils, NGOs, and community-based organizations to ensure our efforts respond to real needs and are inclusive in both design and impact.

Our approach is guided by the principle of shared progress: that the benefits of development must reach people and communities, and that lasting value is created through partnership, responsiveness, and a deep respect for those we serve.

Contribution to communities

Throughout the year, MTCC responded to a wide range of community and institutional needs, delivering support through transport services, infrastructure-related assistance, sponsorships, and public sector collaborations. A total of MVR 11.14 million was disbursed across five thematic areas: Environmental and Infrastructure Support, Social and Community Contributions, Public Sector Support, Educational and Youth Support, and Other Approved CSR Projects.

CSR Contributions – 2024

Category	Total Amount (MVR)
Environmental and Infrastructure Support	184,113
Social and Community Contributions	220,000
Public Sector Support	70,262
Educational and Youth Support	9,579
Other Approved CSR Projects	10,657,357
Total	**11,141,311**

Among the most significant contributions during the year was the Jumhooree Fountain repair project, undertaken at the request of the Ministry of Cities, Local Government and Public Works, the highest-value CSR initiative of the year amounting to MVR 6.94 million. MTCC also supported Transport Day 2024, coordinated by the Ministry of Transport, and provided speedboat services for the Maldives Police Service, facilitating inter-island travel for official duties. In the education sector, schools across the country, including in Addu City, Laamu Atoll, and Greater Malé received support for student excursions and event participation through the provision of transport services by bus and ferry. In total, MVR 1.7 million worth of transport services were delivered through CSR in 2024.

In addition to these, several waste management and site-cleaning efforts were carried out in collaboration with island councils. Numerous other requests were accommodated under the CSR framework based on social value, timeliness, and community relevance.

Building a Diverse and Inclusive Workplace

At MTCC, we believe that every employee plays a vital role, not only in business operations, but also in shaping the workplace culture of the Company. In 2024, we continued our efforts to foster a positive and inclusive environment by investing in employee training, leadership development, and career advancement opportunities.

Recognising the importance of team spirit and employee wellbeing, the Company also organized a variety of sports and recreational activities during the year to strengthen collaboration and morale across teams.

To attract and retain top talent, MTCC has continued to enhance its employee value proposition through fair and transparent performance evaluation, comprehensive benefits, and support for achieving a healthy work-life balance.

We are also committed to building a diverse workforce. This includes promoting the participation of women in the workplace, supporting multicultural inclusion, and making full use of the knowledge and experience of long-serving employees to create value across all areas of the business.

Our Responsibility as a Corporate Citizen

As a publicly listed company with operations spanning the entire nation, MTCC recognises that the responsible payment of taxes is one of our most fundamental obligations to society. We remain fully committed to fulfilling all tax-related responsibilities in strict compliance with applicable laws and regulations. All tax accounting and related processes are managed with transparency and diligence, reinforcing our role as a responsible and trustworthy corporate citizen.

FINANCIAL REVIEW

REVENUE

In 2024, the Group recorded total revenue of MVR 2,157 million, reflecting a 33% decline compared to the prior year. This downturn was primarily driven by a drop in revenue from the Construction and Dredging segment, which was significantly impacted by cash flow challenges stemming from delayed payments on project receivables. Persistent delays in receivables severely disrupted the Group's working capital cycle.

The Group's operations span the Maldives and are structured around four key Strategic Business Units (SBUs): Trading, Construction & Dredging, Transport, and Real Estate, with central operations based in the Greater Malé Region.

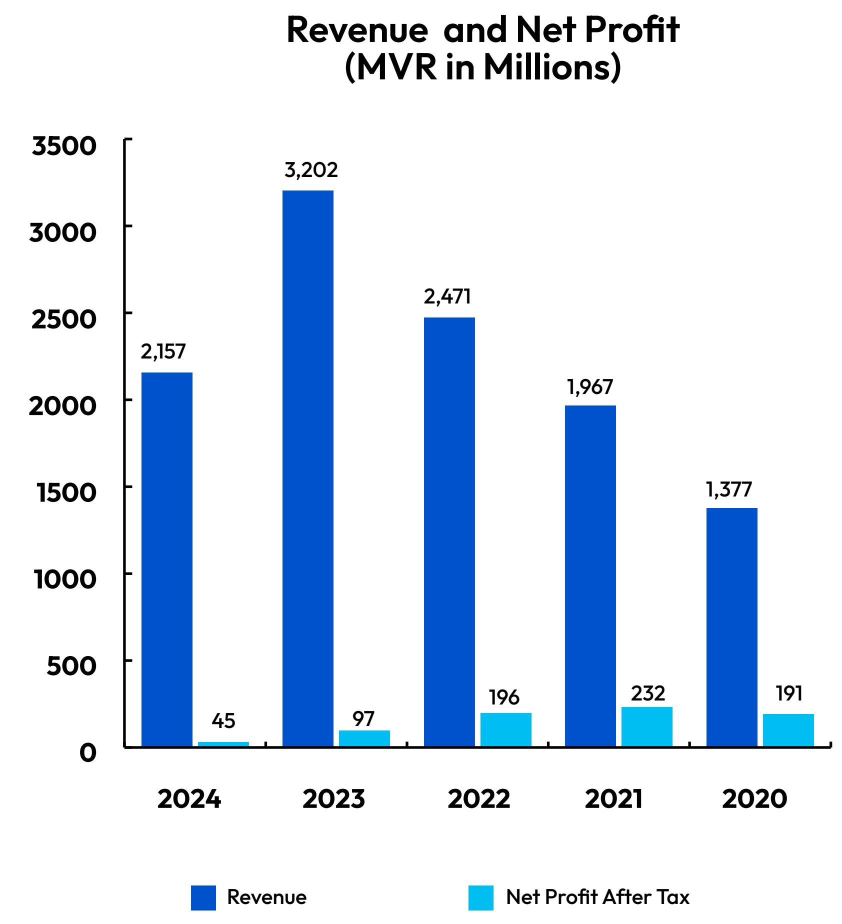
Among these segments, Trading and Construction & Dredging emerge as the primary revenue drivers for the Group.

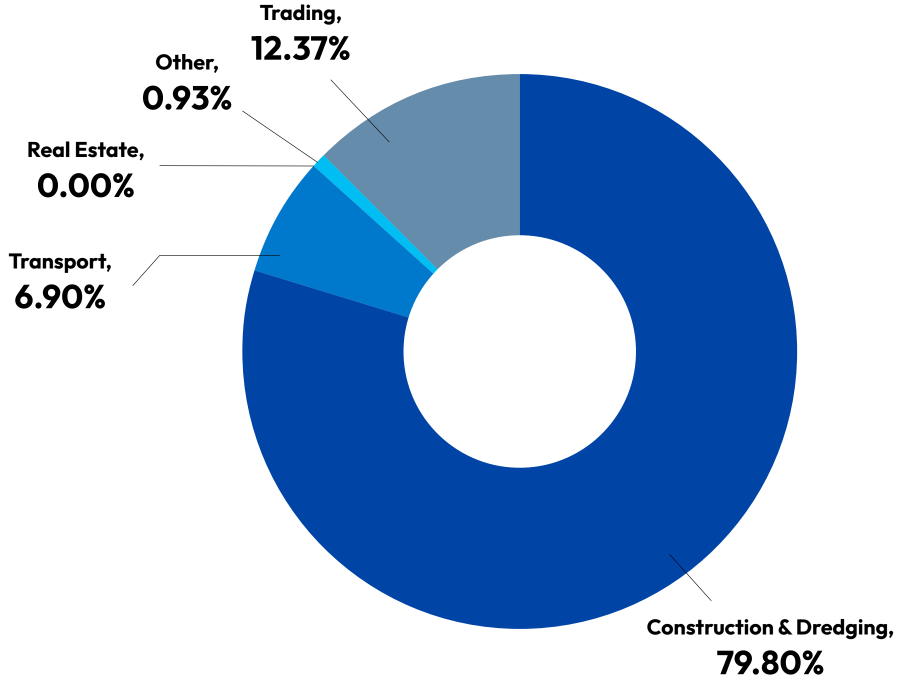
During the year ended to 31 December 2024, out of the total Group revenue of MVR 2,157 million, Trading contributed MVR 267 million (2023: MVR 284 million), Construction & Dredging MVR 1,721 million (2023: MVR 2,752 million), Transport MVR 149 million (2023: MVR 145 million), while Real Estate recorded no revenue, consistent with the previous year, and others MVR 20 million (2023: 21 million)

The other segment comprises of ship agency, docking, logistics and maintenance services.

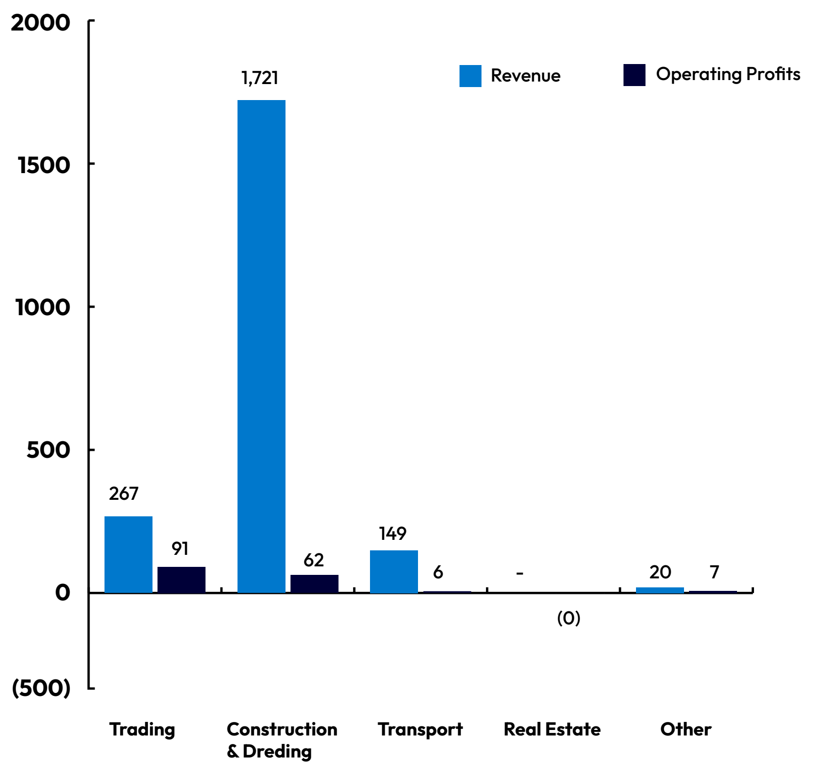
The 37% decline in revenue from the Construction & Dredging segment was primarily attributable to delays in receiving the project receivables. These cash flow constraints significantly affected the timely procurement of key construction materials, particularly rock and other heavy supplies critical to marine and land-based infrastructure projects. The resulting material shortages disrupted site operations, delayed project execution timelines, increased idle time of equipment, and led to higher operating costs. Collectively, these factors had a material impact on project progress, revenue generation, and overall profit margins for the segment.

The Trading segment recorded a modest 6% decline in revenue, primarily driven by increased market competition and challenges in stock replenishment arising from the Group's financial position. These constraints affected the segment's ability to maintain optimal inventory levels, limiting responsiveness to market demand. Management has since initiated targeted measures to strengthen working capital, improve supplier terms, and enhance inventory planning to support future growth. In contrast, the Transport segment demonstrated resilience, achieving a 3% increase in revenue, largely supported by the continued expansion of RTL ferry operations. Further investments in fleet optimization and route development are expected to drive sustained growth in this segment.





**Segment Revenue and Profits
(MVR in Millions)**

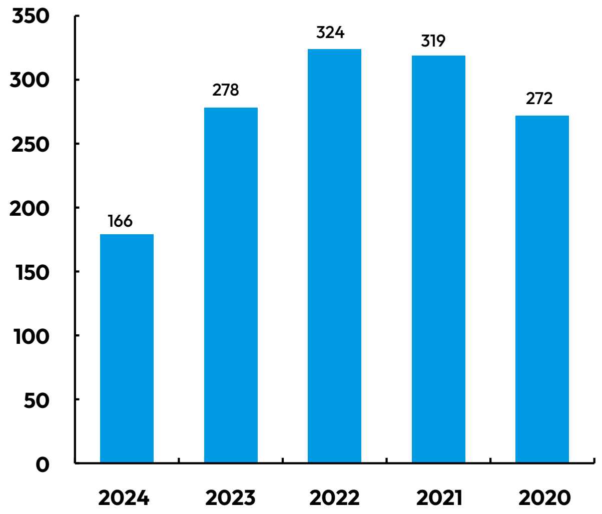


OPERATING PROFIT

Operating profit for 2024 stood at MVR 166 million, reflecting a 40% decline from MVR 278 million in 2023, broadly in line with the overall revenue contraction.

Trading segment contributed MVR 91 million (2023: MVR 77 million, Construction & dredging MVR 62 million (2023: MVR 161 million), Transport MVR 6 million [2023: MVR 20 million], and other services MVR 7 million (2023: MVR 19 million)

Operating Profit - (MVR in Millions)



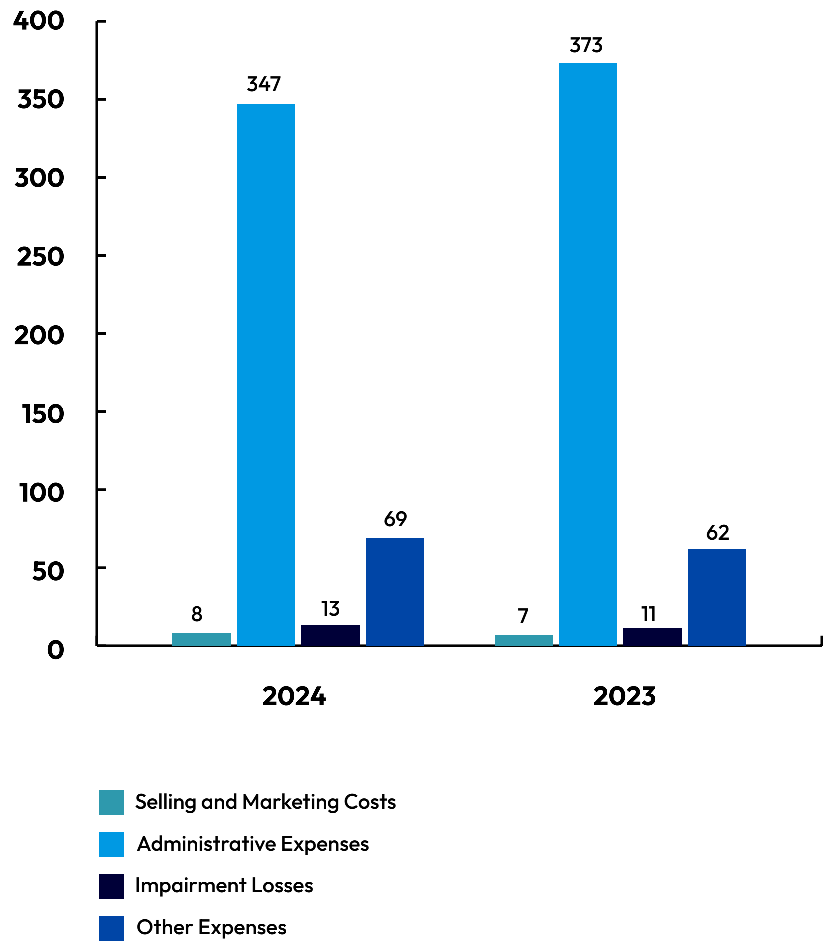
The primary factor behind the Group's overall weakened operating position for the year was the 62% decline in operating profit from the Construction & Dredging segment. This decline was mainly driven by payment delays, which disrupted the project lifecycle. Critical functions including procurement, logistics, and execution faced persistent slowed down, while operating costs escalated due to material shortages, and prolonged project durations.

OPERATING INCOME AND EXPENSES

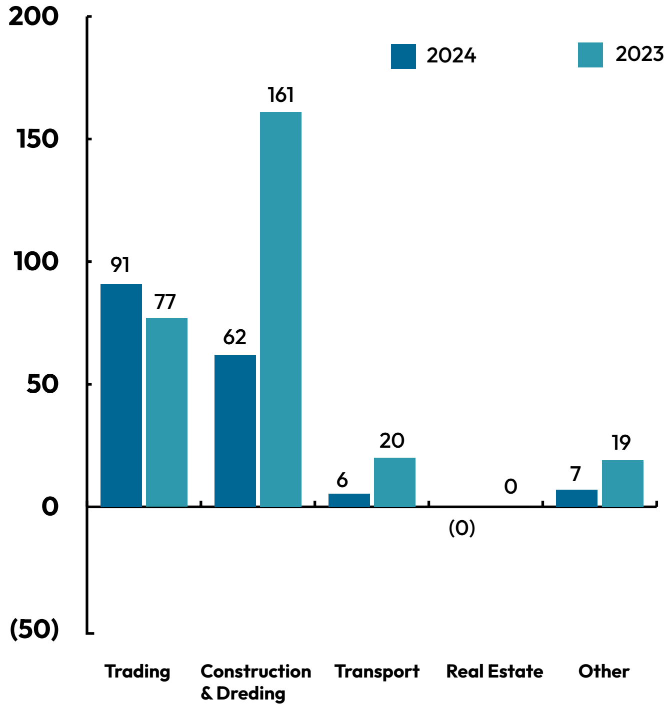
Other income for the year included a government grant of MVR 350 million, provided to compensate for losses sustained by the Construction & Dredging segment. Additional income sources comprised dividend earnings of MVR 10.95 million from the Groups's investment in Bank of Maldives shares (2023: MVR 8.76 million) and MVR 1.75 million from Tawmil Takist Asset Financing (2023: MVR 2.97 million).

Administrative expenses primarily comprised staff-related costs, insurance, communications, travel, utilities, bank charges, Corporate Social Responsibility (CSR) spending, and license and registration fees. Overall, administrative expenses declined by 7%, due to reduced operational activity. CSR expenditure was also scaled back due to limited budgetary flexibility.

Operating Expenses - (MVR in Millions)



Segment Profit / (Loss) - (MVR in Millions)



Selling and marketing expenses have increased by 8%, primarily due to spendings on promotional activities to support the Trading segment. This aligns with the Group's strategic focus on enhancing market visibility and driving sales growth. Additional targeted marketing initiatives are planned to further strengthen long-term competitiveness.

Provision for impairment loss on trade and other receivables over bad and doubtful debts of the Company MVR 13 million accounted considering the changes in estimates over future defaults on trade & other receivables. (2023: MVR 11 million). The management has used its best estimates to the overall economic indicators such as GDP, in order to assess the provisions for impairments, which is described in detail in the notes to the financial statements.

Other operating expenses increased by 12% compared to the previous year, primarily driven by losses incurred on projects that remained idle while operational costs continued to accrue. Despite limited activity on these sites, ongoing expenses such as equipment maintenance, site management, and support services persisted, contributing to the overall increase.

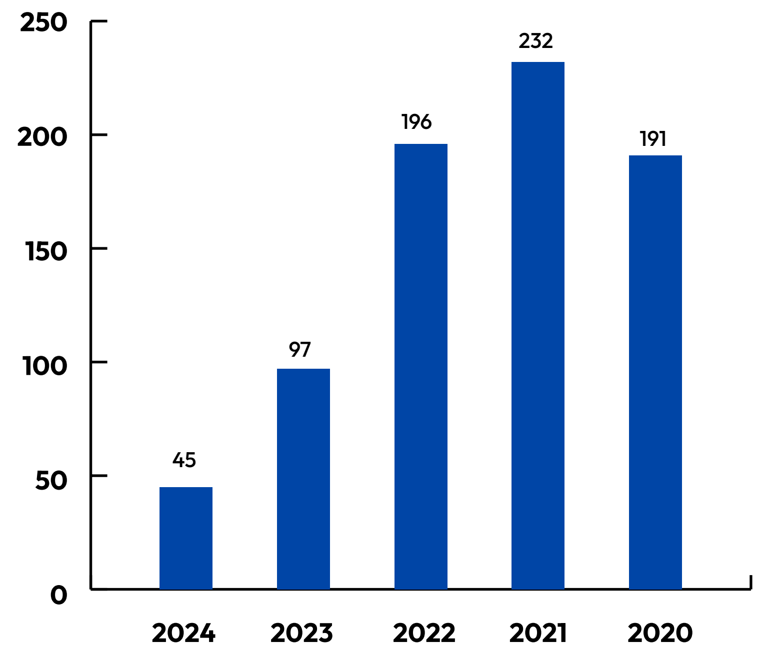
There was no significant increase in borrowings during the year, and ongoing loan repayments contributed to a reduction in overall finance costs by 28% compared to previous year. Additionally, cash flow constraints led to a reduction in foreign payments and overall spending in foreign currency, which further contributed to the decline in finance costs for the year.

NET PROFITS

Profit after tax for the year declined by 53% compared to 2023, primarily driven by a drop in revenue in the Construction & Dredging segment. This decline was largely the result of a working capital shortfall, which disrupted project execution and adversely impacted the segment's overall performance.

Despite the significant decline in revenue, the Company was unable to proportionately scale down operations, as many projects had already been mobilized with substantial investments in staff and machinery. While certain cost efficiencies were achieved, demobilizing from project sites was not feasible due to a range of external factors beyond management's control.

PAT After Tax - (MVR in Millions)



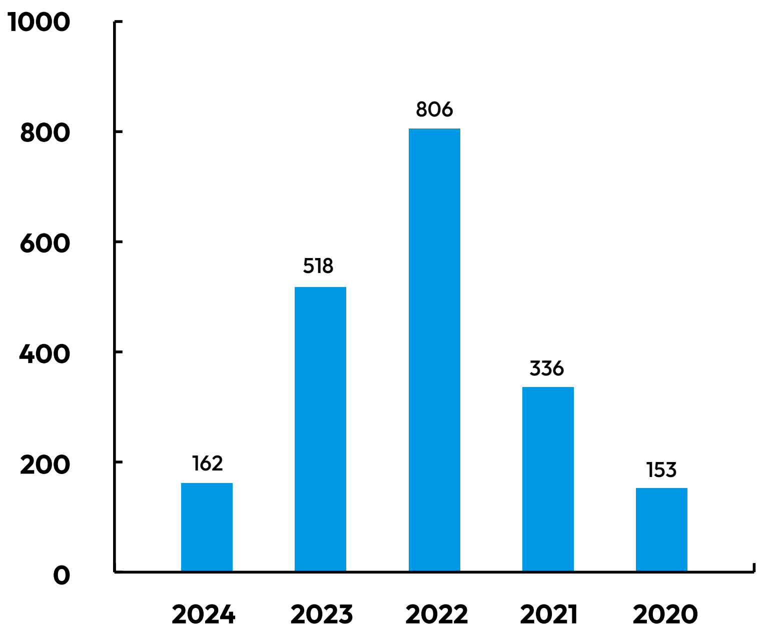
LONG TERM INVESTMENTS

Capital expenditure for the year was significantly scaled back, totaling MVR 161.54 million, a 69% reduction from MVR 518.35 million in 2023. Investments in 2024 were primarily directed toward maintaining operational continuity and included pipeline upgrades for the dredging fleet, the acquisition of a high-speed ferry for RTL transport, and investment on buildings.

Additional investments include MTCC's investment in shares of Bank of Maldives Plc. which has been considered as an available for sale investments. By the end of the year, the shares of Bank of Maldives had a market price of MVR 710 (2023: MVR 800) per share and the highest traded price during the year was recorded as MVR 850. MTCC has received dividend of MVR 10,954,800 from the investment in shares of Bank of Maldives Plc. during the year ended 31 December 2024(2023: MVR 8,763,840).

Furthermore, the Company has committed to invest in an associate, Maldives Industrial Development Free Zone Plc. (MIDFZ), through the subscription of 1,850,400 ordinary shares at MVR 100 per share. MIDFZ is expected to focus on the large-scale importation of goods from neighbouring countries and implement a re-export model aimed at maximizing profitability.

Capital Investmens - (MVR in Millions)

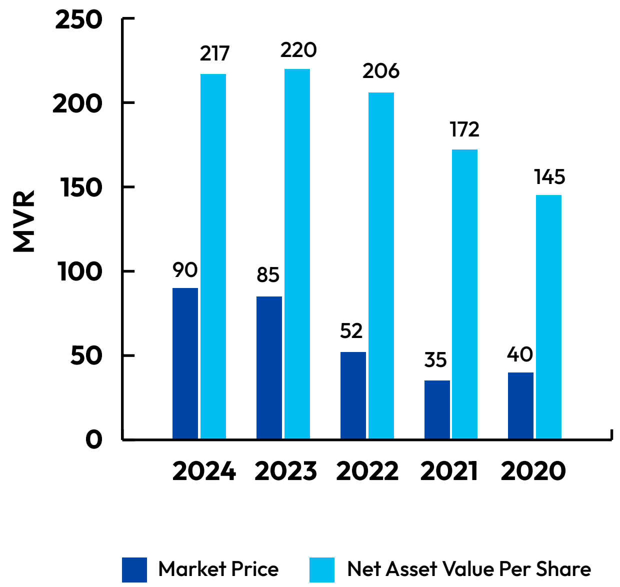


SHAREHOLDERS RETURN

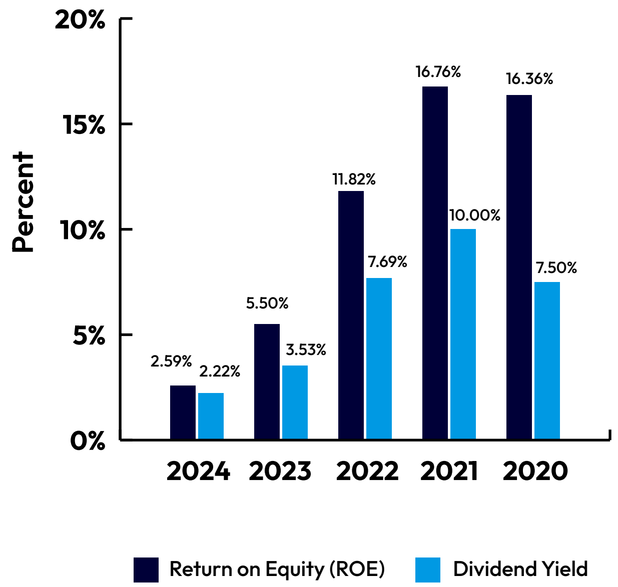
The Group has accumulated a return of 2.59% to the equity holders for the year ended 31 December 2024. Net asset value per share fell by MVR 2.65.

The company has declared a dividend of MVR 2.00 (2023: MVR 3.00 per share) from the net profits of 2024.

Market Price Net Asset Value Per Share



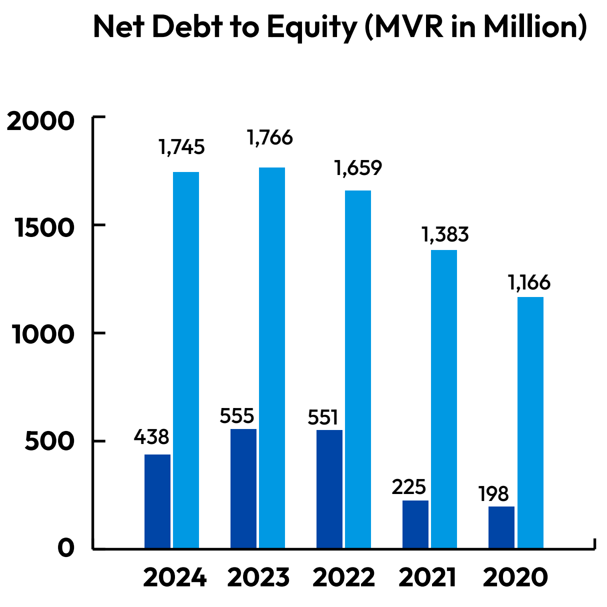
Return on Equity and Dividend Yield

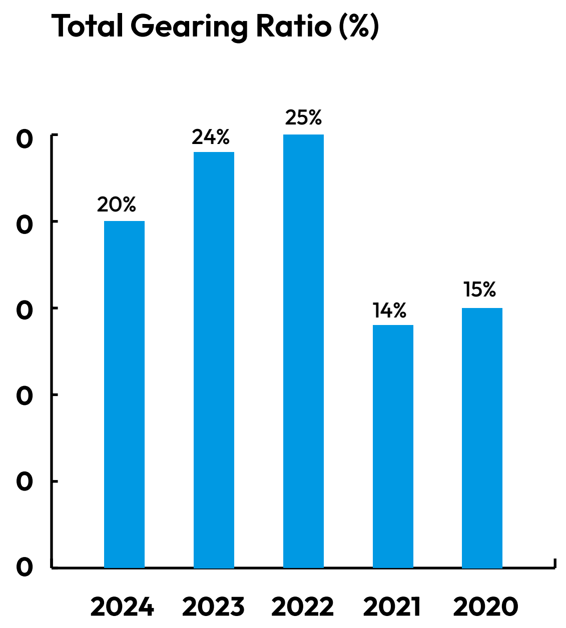


DEBT FINANCE

New borrowings of MVR 98.6 million were secured in 2024 to support working capital requirements and maintain core operational activities. Meantime, during the year, loan principals amounting to MVR 230.69 million was repaid from operating cashflows.

The gearing ratio has reduced by 4% with the repayment of borrowings reflecting a modest improvement in financial leverage.

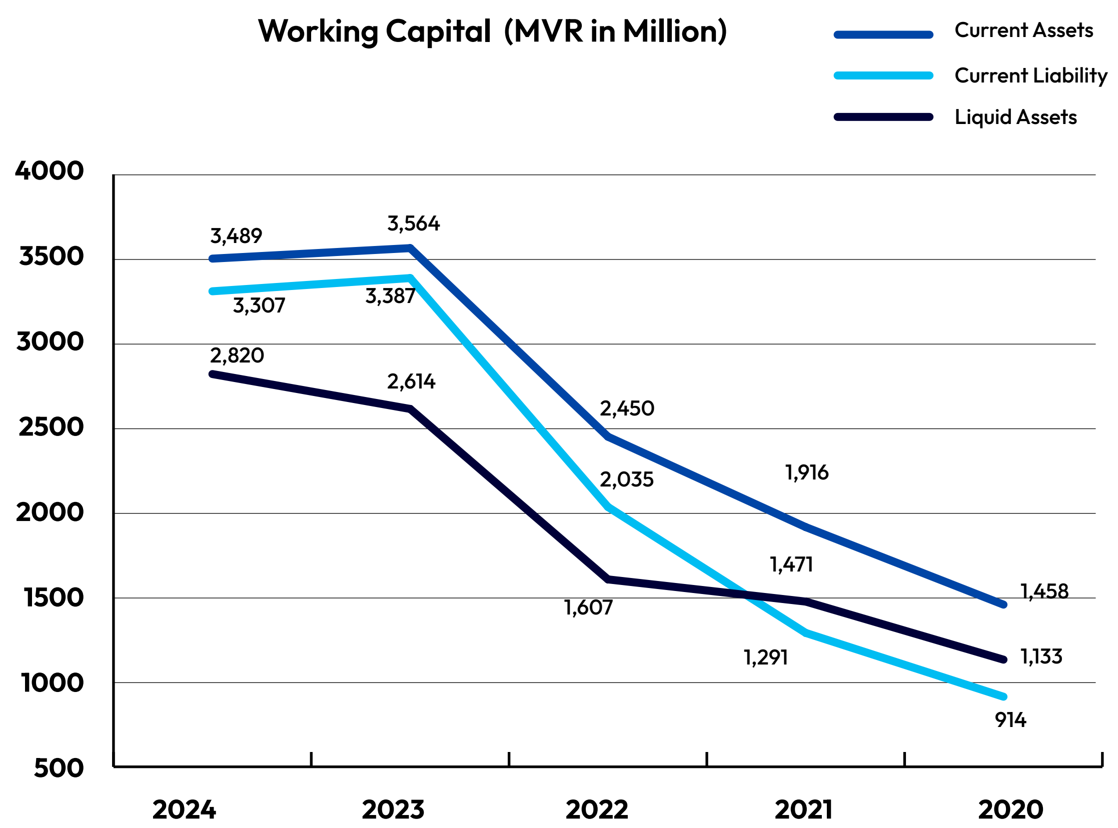




WORKING CAPITAL

The current ratio remained stable at 1.05x in 2024, consistent with the previous year, indicating the Group's continued ability to meet its short-term obligations.. However, the assets ratio showed an improvement, increasing to 0.85x in 2024 from 0.77x in the previous year, reflecting better asset coverage relative to liabilities.

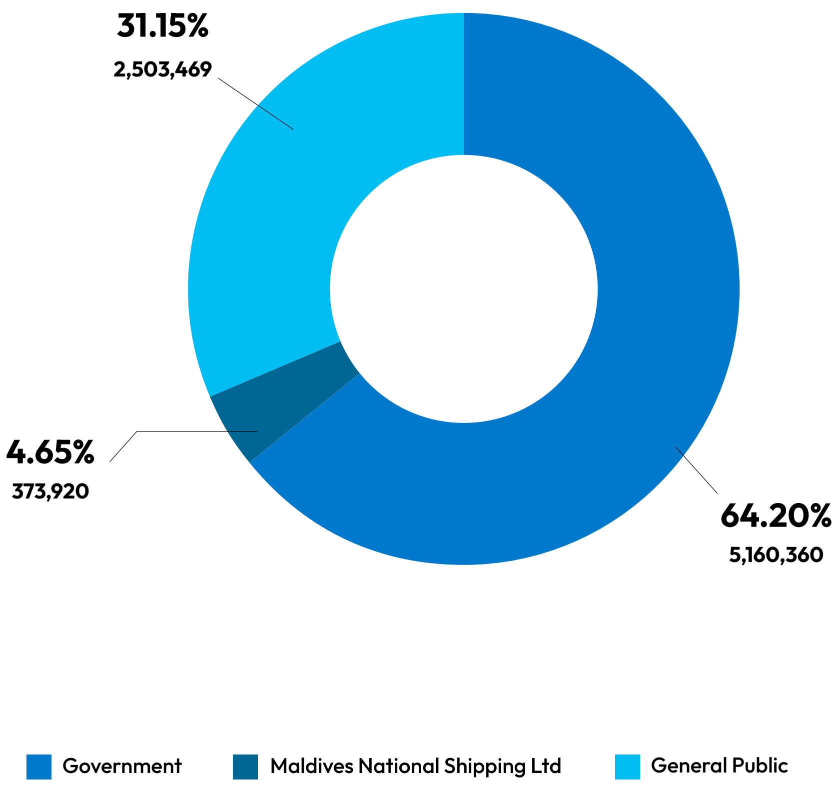
However, a decline in cash and cash equivalents was recorded as of 31 December 2024, primarily due to lower inflows from receivables.



SHARE PERFOMANCE

SHAREHOLDING STRUCTURE

There were no changes in the share structure of the Company in 2024.

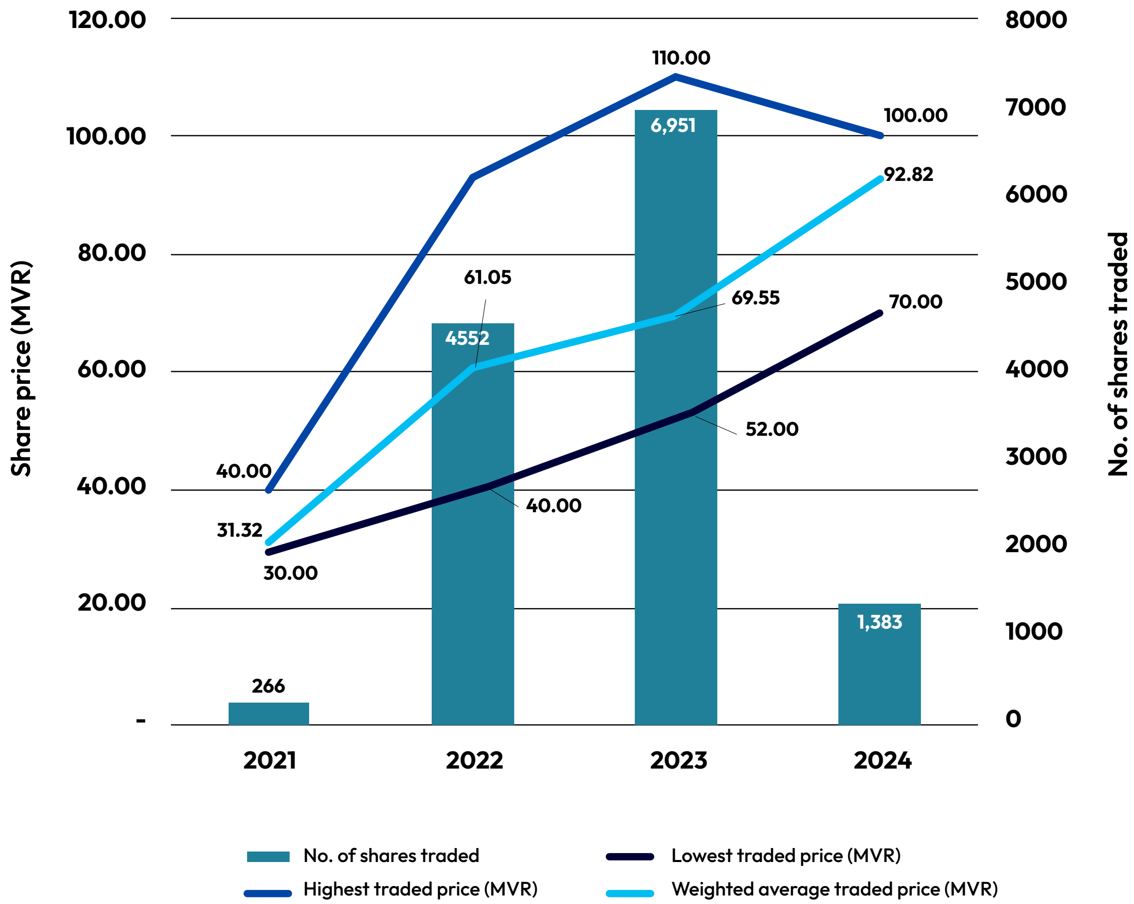


→ Total number of shares
8,037,749

→ Face Value of Shares
MVR 5 per share

→ Proposed Dividend per Share 2024
MVR 2.00

SHARE PRICE AND SHARES TRADED 2021 TO 2024



SHARE TRADE

Details	2021	2022	2023	2024
Lowest traded price	30	40	52	70
Highest traded price	40	93	110	100
Last traded price	35	52	85	90
Last traded date	08/09/2021	12/12/2022	19/12/2023	29/12/2024
Weighted average traded price	31.32	61.05	69.55	92.82
No. of Trades	08	68	78	38
No. of shares traded	266	4552	6,951	1,383
Value of Shares	8,332	277,913	483,474	128,374
Lowest market capitalization	241.13	281.32	417.96	562.64
Highest market capitalization	321.96	747.51	884.12	803.77

CORPORATE GOVERNANCE

As a Public Limited Company, MTCC is governed in accordance with the principles set forth in the Company's Act (Act no. 07/23), Maldives Securities Act (Act no. 02/2006), Securities (General) Regulations 2007, Continuing Disclosure Obligations of Issuers Regulation 2019 (Regulation no. 2019/R-1050), Corporate Governance Code of the Capital Market Development Authority, Listing Rules of the Maldives Stock Exchange, Articles of Association and Memorandum of Association of the Company.

The Board of Directors of MTCC remains firmly committed to upholding the highest standards of corporate governance, recognizing it as fundamental to maintaining business integrity, safeguarding shareholder value, and sustaining investor confidence. In adherence to regulatory requirements and in line with best practices, the Company continuously strengthens its governance framework to ensure full compliance with the Corporate Governance Code issued by the Capital Market Development Authority (CMDA). Where instances of non-compliance arise, the Company provides clear and transparent explanations in accordance with the Code's principles of disclosure and accountability.

BOARD CHARTER

The Company operates with a Board Charter revised and approved in 2021 which details the Directors' authorities, Directors' terms, general roles and responsibilities of the Board, Directors, Chairman, Managing Director and Chief Executive Officer, and the Board's ethical standards.

ROLE OF THE BOARD OF DIRECTORS

The main responsibilities of the Board of Directors are as follows

- Providing strategic direction to the senior management of the Company on matters relating to the business and seeking accountability for the achievement of objectives.
- Establishing, reviewing, and monitoring the business plans, annual budget, and policies of the Company.
- Ensuring that the Company has clear goals aligned to fulfill stakeholder expectations and improve shareholder value and business growth.
- Ensuring compliance with laws and regulations in all matters related to the Company.
- Acquiring essential investments and resources for the smooth functioning of the business.
- Reviewing and approving the financial statements and reports of the Company.
- Recognizing and assessing risks and establishing internal controls and other measures to manage such risks.

BOARD COMPOSITION

In accordance with the Articles of Association (AOA) of the Company, the Board comprises of seven directors, of which five directors are nominated by the major shareholder, Government of Maldives and elected by the shareholders at the Annual General Meeting (AGM). The remaining two board directors representing public shareholders are elected by public shareholders at the AGM for a two-year term. As defined in CMDA's Corporate Governance Code, the Board of Directors represents a mix of Executive, Non-Executive, and Independent Directors.

The Board of Directors remains firmly committed to upholding the highest standards of integrity and ethics, recognizing them as fundamental to ensuring the Company's success. In adherence to regulatory requirements and international best practices, the Board continuously strengthens and develops efficient corporate governance structures to support sustainable growth and safeguard stakeholder interests.

The composition of the Board of Directors as of 31st December 2024 was as follows:

Name	Designation	Representation	Date of Appointment	Date of Removal
Mr. Mohamed Afeef Hussain	Chairperson/ Non-Executive Director	Government	18 December 2023	-
DCP (Retd.) Mr. Ahmed Saudee	Managing Director/ Executive Director	Government	24 October 2024	-
Mr. Mohamed Jamsheed	Deputy Managing Director/ Executive Director	Government	31 December 2024	-
Mr. Nasrath Mohamed	Non-Executive/ Independent Director	Public	27 September 2020	-
Mr. Mohamed Imran Adnan	Non-Executive/ Independent Director	Public	15 November 2020	-
Mr. Ali Naail	Non-Executive/ Independent Director	Government	24 December 2023	-
Mr. Abdulla Ziyad	Former Managing Director/ Chief Executive Officer	Government	28 November 2023	21 August 2024
Mr. Hassan Mughnee	Former Executive Director/ Deputy Managing Director	Government	11 February 2024	03 November 2024
Mr. Sinaan Ali	Former Non-Executive/ Independent Director	Government	06 February 2019	05 February 2025

Summary of board meeting and board committee meetings

44	6	19	39
Board of Directors Meeting	Audit & Risk Committee Meeting	Corporate Governance & Compliance Committee Meeting	Nomination & Remuneration Committee Meeting

BOARD MEETINGS

The Board determines the Company's strategy and objectives by establishing, assessing, and monitoring internal controls to identify and govern the risks of the Company. The Board ensures that the Company's businesses maintain and improve sustainability and profitability from year to year. The Board of Directors also reviews the reports related to the Company's internal controls and monitoring controls submitted to the Board by the Chief Internal Auditor and the management of the Company.

During the year discussions of the Board focused on the following issues.

- Business Plan
- Business Performance
- Approval of Annual Report and Quarterly Reports
- Approval of financing and investment activities and other business development activities
- Strategic direction on maneuvering cashflow concerns

KEY BOARD DECISIONS OF 2024

- Approved the publication of quarterly and monthly financial statements of the 4th quarter 2023
- Approved the proposal for the appointment of Board Members and the Managing Director of Maldives Real Estate Investment Corporation Pvt Ltd
- Reviewed and approved the Business Plan of Maldives Real Estate Investment Corporation Pvt Ltd
- Endorsed and resolved the appointment of Mr. Hassan Mughnee as Executive Director to the Board
- Reviewed and approved the Jumhooree Fountain repair project under the CSR budget
- Reviewed and resolved regulatory and compliance matters related to the 2023 Annual General Meeting, including approval of the Book Closure Notice and Directorship Notice
- Approved the revision of the Memorandum of Association (MOA) and Articles of Association (AOA) of MTCC to align with the amendments introduced in the revised Companies Act.
- Reviewed and proposed the appointment of External Auditors for the financial year ending 31 December 2024.
- Reviewed and approved revisions to the organizational structure as proposed by the Management.
- Reviewed the proposed applications received for the appointment of Public Directors for the upcoming term.
- Approved the nominees for the National Award
- Passed a resolution addressing the Company's financial position and approved the implementation of cost-reduction measures recommended by management.
- Endorsed the appointment of directors representing public shareholders and the Government of Maldives.
- Resolved to hold an Extraordinary General Meeting on 11 June 2024 and the Annual General Meeting 2023 on 18 July 2024.
- Reviewed and proposed the dividend for the years 2022 and 2023.
- Appraisal of head of divisions and C-suite executives
- Reviewed and approved the audited financial statements and Directors' Report for the year 2023.

- Reviewed and approved publication of quarterly reports for the year 2024
- Reviewed and approved the Strategic Plan for the year 2024 – 2028
- Endorsed the appointment of Managing Director DCP (RETD) Ahmed Saudee, as nominated by the majority shareholder Government of Maldives.
- Approved changes to authorized signatories for the issuance of share certificates.
- Reviewed and approved the initiation of the Greater Male' Taxi Line Project.
- Approved an investment of MVR 2.8 million for the construction of the Department of National Registration office buildings in Villimale' and Hulhumale' Phase 1 and 2, to be funded under the Company's CSR budget.
- Approved the Business plan, Revenue Budget, and Capital Expenditure (CAPEX) Budget for the year 2025

Attendance at Board of Directors' Meetings for the year 2024

NAME OF DIRECTORS	REQUIRED	ATTENDED
Mr. Mohamed Afeef Hussain	44	44
DCP (RETD) Mr. Ahmed Saudee	14	14
Mr. Mohamed Jamsheed	1	1
Mr. Nasrath Mohamed	44	44
Mr. Mohamed Imran Adnan	44	43
Mr. Ali Naail	44	43
Mr. Abdulla Ziyad (Former)	30	30
Mr. Hassan Mughnee (Former)	33	29
Mr. Sinaan Ali (Former)	44	42

BOARD COMMITTEES

The Board of Directors has established three committees, consisting of the Audit and Risk Committee, the Nomination and Remuneration Committee, and the Corporate Governance and Compliance Committee. The Board delegates certain duties to these committees as defined by their respective committee charters. The Company has focused its efforts on developing its internal systems, policies, and procedures to ensure maximum transparency and governance.

Composition of Board Committees

Directors	Audit & Risk Committee	Corporate Governance & Compliance Committee	Nomination & Remuneration Committee
Mr. Nasrath Mohamed*	Member	Member	Chairperson
Mr. Mohamed Imran Adnan	Chairperson	Member	Member
Mr. Ali Naail*	Member	Chairperson	Member
Mr. Yaseen Hussain*	Member	Member	Member
Mr. Sinaan Ali*	Former Member	Former Member	Former Chairperson

** Mr. Nasrath Mohamed was appointed as Chairperson of the Nomination & Remuneration Committee by the Board of Directors on 09 April 2025. Prior to the appointment he was serving as the Chairperson of the Corporate Governance & Compliance Committee.*

** Mr. Ali Naail was appointed as Chairperson of the Corporate Governance & Compliance Committee by the Board of Directors on 09 April 2025.*

** In February 2025, Mr. Sinaan Ali completed the maximum consecutive term as a Non-Executive Director, as stipulated in Clause 64 of the Articles of Association. Accordingly, his tenure on the Company's Board came to an end.*

** Mr. Yaseen Hussain was appointed as a Non-Executive Director by the majority shareholder, Government of the Maldives on 09 April 2025.*

BOARD DEVELOPMENT

The Company recognizes the critical importance of continuous Board development and has established a structured Induction Program through the Company Secretariat, aligned with the Board Training and Induction Policy, and compliant with the Corporate Governance Code. In addition to the induction program, Directors are provided with opportunities to participate in specialized training programs to strengthen their governance capabilities and remain informed of emerging regulatory and business trends. The Company is committed to regularly reviewing and addressing the individual training needs of each Director, ensuring they maintain and enhance their effectiveness in a dynamic business environment.

Directors also completed the following training programs during the year.

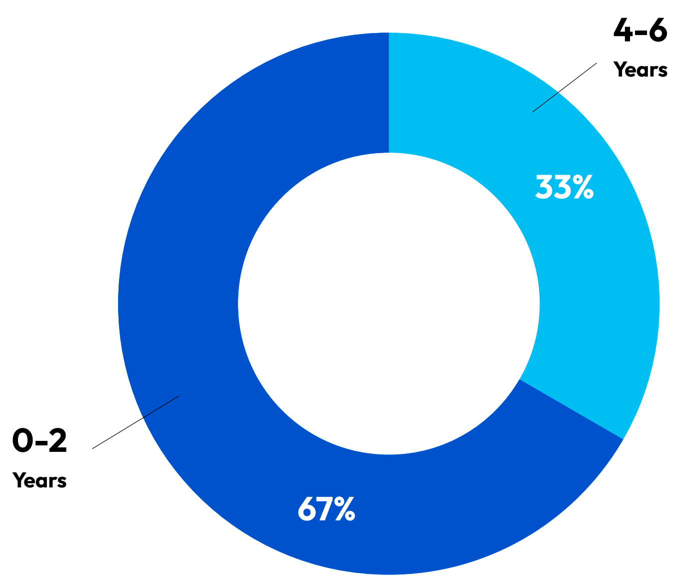
Training	Training Type
Project Management Professional Training Program (PMP)	Project Management
Directors Training Program	Governance
Strategic Financial Mastery series: Finance Essentials for Board Directors	Finance
Certified Professional Contract Manager Training Program (CPCM)	Contract Management

INDEPENDENCE

The independence of directors is ensured and monitored in accordance with Clause 1.1(g) of the CMDA Corporate Governance Code and the Articles of Association (AoA). The Company requires Directors to disclose any conflicts of interest and members have resolved to abstain from participating in discussions or voting on occasions where potential conflicts of interest arise. The Company Secretariat maintains a 'Conflict of Interest and Disclosure Policy' to mitigate potential conflicts of interests that may arise.

TENURE

As per Clause 63.1 of the Articles of Association (AoA), Board Directors are appointed or elected at an Annual General meeting, and as defined in the AoA their term of service extends until the second Annual General Meeting following their appointment. Furthermore, as per Clause 64 of the AoA, Non-executive Directors may serve on the Board for a maximum of six consecutive terms.



PROHIBITION OF INSIDER TRADING

In accordance with the Capital Market Development Authority's Policy on Prohibition of Insider Trading and the Securities Act (02/2006), the Company has established its Insider Trading Policy to ensure restriction of any purchase or sale of Company securities using non-public and strategic information of the Company. Any stakeholder of the Company with access to non-public and strategic information regarding the Company's securities may not be involved in any kind of trading of Company securities.

RELATIONSHIP WITH SHAREHOLDERS

MTCC places a high priority on fostering transparent and effective communication with its shareholders. The Board of Directors and the Company Secretariat are committed to providing timely, relevant, and accessible information to shareholders, ensuring they are well informed about the Company's performance and strategic direction.

The Company publishes comprehensive annual and quarterly reports, accessible through MTCC's website. These reports provide shareholders with detailed insights into the Company's financial performance, key developments, major projects, and decisions made by the Board during the reporting periods.

In 2021, MTCC launched the Shareholders Online Portal to enhance accessibility and convenience for shareholders. This portal allows shareholders to manage their shareholding, update personal information, access reports, and register for general meetings, all in one place.

MTCC continually seeks to improve its communication channels and shareholder engagement practices. The Company values shareholder feedback and remains dedicated to maintaining open lines of communication to support informed decision-making and foster a strong relationship with its shareholders.

EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting (EGM) of the Company was successfully held on 11 June 2024. In compliance with the requirements of the Companies Act of the Maldives (Law No. 10/96) and the Listing Rules of the Maldives Stock Exchange, the EGM was conducted virtually through "FahiVote," the electronic meeting platform of the Maldives Securities Depository (MSD). This ensured transparency, wider accessibility, and efficient participation, upholding the principles of good corporate governance and shareholder inclusivity.

A total of 47 shareholders participated in the EGM, representing a combined shareholding of MVR 5,540,192. The EGM serves as an important platform for shareholders to exercise their statutory rights and make decisions on significant corporate matters that require shareholder approval outside the Company's Annual General Meeting (AGM) schedule.

Major decisions made at the EGM held on 11 June 2024

- Approved the revised Memorandum and Articles of Association of the Company.
- Approved the re-proposal to distribute a dividend of MVR 4.00 per share for the year 2022, which was initially proposed at the 2022 AGM.

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) for 2023 was held on 17 July 2024. The AGM serves as a platform for all shareholders to exercise their rights on key matters concerning the Company. Shareholders may attend the meeting in person or be represented by proxy. “FahiVote”, the electronic general meeting system platform of the Maldives Securities Depository (MSD) was used at the Annual General Meeting. A total of 374 shareholders participated in AGM 2023, both physically and virtually, representing a total share value of MVR 5,743,986. All resolutions proposed by the Board were subject to proportional voting.

Major decisions made at the AGM held on 17 July 2024

- Approved minutes of the 2022 Annual General Meeting.
- Approved minutes of the Extraordinary General Meeting held on 11 June 2024.
- Approved Director’s Report for 2023.
- Approved Company’s Audited Financial Statements for 2023.
- Approved the Board of Directors’ proposal to distribute a dividend of MVR 3.00 per share, based on a face value of MVR 5.00 per share, for the financial year ended 2023.
- Approved to appoint Deloitte as the External Auditor of the Company for the financial year ending 31 December 2024.
- Mr. Mohamed Afeef Hussain, Mr. Abdhulla Ziyad, Mr. Hassan Mughnee, Mr. Sinaan Ali, and Mr. Ali Naail were appointed as Directors representing the Government of Maldives’ shareholding of the Company for the upcoming term.
- Mr. Mohamed Imran Adnan and Mr. Nasrath Mohamed were elected as Directors to represent the public shareholders in the Company for the upcoming term.

DECLARATION

The Board of Directors declares that the Annual Report is prepared in accordance with the Corporate Governance Code of the Capital Market Development Authority, Continuing Disclosure Obligation of Issuers Regulation (2019/R- 1050), Articles of Association of MTCC, Listing Rules of Maldives Stock Exchange, Securities’ Act (2/2006) and the Companies Act (07/2023).

The Board of Directors also declares that the information presented in this Annual Report is true and accurate, and that together with the top management of MTCC, it has made every effort to ensure that the Company is governed and managed in a fair and transparent manner. The Board confirms that the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and internationally accepted best practices, in compliance with applicable laws, rules, and regulations. Furthermore, importance is given to providing shareholders with a clear and fair assessment of the Company’s financial position and performance.

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with all applicable laws and regulations as mentioned above, to fulfil the interest of all shareholders, while creating the best value for the Company’s shareholders.

The strategic business plan of the Company is carefully reviewed by the Board of Directors to ensure that it is aligned with its long-term strategic objectives of shaping and transforming its businesses for long-term competitiveness and profitability. The Company’s future has been drawn up with careful consideration of the Company’s strengths and the opportunities that are expected to arise in the market. Furthermore, the Company aims to invest in areas that will ensure the sustainability of the Company’s businesses. The Board of Directors is confident that the Company has enough resources to continue its operation for the foreseeable future. Accordingly, the Company will continue to adopt the going-concern basis in preparing the financial statements.

Mohamed Afeef Hussain
Chairperson

DCP (RETD) Ahmed Saudee
Managing Director

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee was established in accordance with the Articles of Association (AOA) of the Company and required under the Corporate Governance Code of the Capital Market Development Authority of Maldives.

KEY ROLES AND RESPONSIBILITIES

he function of the Audit & Risk Committee is to assist the Board in its oversight of the following areas concerning the Company:

- The integrity of the financial statements and the Company's financial reporting processes
- The qualifications and independence of the independent auditors
- The performance of the internal audit function
- The Company's compliance with legal and regulatory requirements
- The effectiveness of internal controls designed to safeguard the Company's assets and income, and to ensure adherence to ethical standards, policies, plans, and procedures
- The guidelines, policies, and processes for identifying, monitoring, and mitigating risks

COMPOSITION AND ATTENDANCE

The Audit and Risk Committee consists of 04 Non-Executive Independent Directors who possess the capacity to understand and review financial statements and undertake the responsibilities of the Committee.

During the year, the Audit and Risk Committee held 39 meetings.

Name	Position & Type	Required	Attended
Mr. Mohamed Imran Adnan	Chairperson	39	39
Mr. Sinaan Ali	Former Member	39	37
Mr. Ali Naail	Member	39	39
Mr. Nasrath Mohamed	Member	39	39

KEY DECISIONS OF THE COMMITTEE

- Reviewed the quarterly financials for the fourth quarter of 2023
- Reviewed the monthly financials for the year.
- Finalized the annual internal audit workplan for the year
- Discussed audit reports in accordance with the approved audit plan
- Evaluated and proposed the appointment of external auditors for 2024
- Reviewed the quarterly reports for 2024
- Reviewed the proposed dividend for the financial year 2023
- Reviewed the audited financial statements for 2023
- Reviewed the RTL Subsidy Framework Agreement
- Reviewed the business plan, revenue budget, and capital expenditure budget for 2025

INTERNAL CONTROLS

The Internal Audit Function operates with independence and objectivity to evaluate and strengthen the Company's governance, risk management, and internal control systems to ensure the achievement of corporate objectives. Guided by a risk-based audit plan approved by the Audit and Risk Committee, the Internal Audit Function focuses its activities on areas of strategic, operational, financial, and compliance risk. Through ongoing monitoring, structured reviews, and advisory engagements, it provides assurance on the adequacy, effectiveness, and efficiency of the internal control environment.

To support and enhance corporate governance, the Internal Audit Function provides the Board of Directors and Executive Management with independent assessments of the Company's governance structures and processes. It evaluates the transparency, accountability, and effectiveness of decision-making mechanisms and corporate conduct. Regular reporting to the Audit and Risk Committee ensures timely communication of audit observations, and the monitoring of management's implementation of recommended actions.

Internal Audit Function also provides independent assurance over the effectiveness of the Company's risk management framework. It reviews the design and operational effectiveness of processes used to identify, assess, manage, and report key risks. By offering actionable insights and recommendations, Internal Audit Function strengthens the Company's risk response capabilities and supports the Board in fulfilling its oversight responsibilities. These efforts contribute to embedding a strong risk-aware culture and fostering continuous organizational improvement.

EXTERNAL AUDIT

The external audit process ensures that a Company's internal controls, processes, guidelines, and policies are adequate, effective and compliant with the required laws, rules, and regulations, industry standards and company policies. To ensure that reporting mechanisms prevent errors in financial statements, Deloitte was confirmed as the Company's External Auditors with the approval of shareholders, in the Annual General Meeting held on 17 July 2024.

RISK MANAGEMENT

The Risk Management Division (RMD) was established in 2020 to strengthen the Company's governance framework by systematically identifying, assessing, and managing strategic, financial, operational, and compliance risks. Its objectives support the development of an integrated structure for risk management, quality assurance, and compliance across the Company's management systems.

In 2024, an enterprise-wide survey was conducted to assess the extent to which MTCC divisions understand their risk management responsibilities and their familiarity with risk management techniques, in alignment with the Company's Risk Management Policy.

Based on the survey results, risk management strategies were enhanced, and a structured plan was developed to initiate risk assessments across all MTCC operations. Risk Owners, Risk Champions, Process Owners, and other key personnel were appointed from each division, and walkthroughs were conducted with them to compile the Operational Risk Management (ORM) Risk Registers for their respective areas. Additionally, a plan was formulated to conduct enterprise-wide training for all relevant individuals involved in the risk management process.

In 2024, the Quality Compliance function conducted a Quality Management System (QMS) surveillance audit to ensure continued adherence to ISO 9001 standards. Additionally, a QMS internal audit was carried out in November. All non-conformities identified during these assessments were promptly addressed and closed. Preparations also began for the 2025 surveillance audit, which will form part of the recertification process. To further strengthen the Company's risk management framework, control testing was initiated for completed risk registers, with a focus on critical and high-risk areas.

On behalf of Audit and Risk Committee

Mohamed Imran Adnan
Chairman
Audit and Risk Committee

CORPORATE GOVERNANCE AND COMPLIANCE COMMITTEE

The Corporate Governance and Compliance Committee was established in 2015 in accordance with the Articles of Association (AOA) of the Company and as required by Corporate Governance Code of the Capital Market Development Authority of Maldives.

KEY ROLES AND RESPONSIBILITIES

The main purpose of the Corporate Governance and Compliance Committee is to create, review and improve the corporate governance measures within the Company.

- Develop and monitor the Company's overall approach to corporate governance and implement, administer, and continue to develop a system of corporate governance within the Company.
- Undertake an annual review of the policies and practices of the Company and make recommendations for improvements where necessary.
- Advise the Board and its committees on corporate governance issues
- Develop and implement an orientation and education program for newly appointed members of the Board.
- Develop a process for assessing the effectiveness of the Company, Board, individual Directors, and Board committees and ensure that the Board conducts these evaluations, annually.
- Ensure that the Charters of the Board and its committees are reviewed annually.
- Develop the Dividend Policy of the Company and review it regularly.
- Establish a business code of ethics for the Company and review it as and when required.
- Ensure that appropriate methods are established for stakeholders to submit their recommendations and inquiries to the relevant agencies established in the Company.

COMPOSITION AND ATTENDANCE

The Nomination and Remuneration Committee consists of 04 Non-Executive Independent Directors. During the year, the Committee held 19 meetings.

Name	Role	Required	Attended
Mr. Ali Naail	Chairperson	6	6
Mr. Nasrath Mohamed	Member & Former Chairperson	6	6
Mr. Mohamed Imran Adnan	Member	6	6
Mr. Sinaan Ali	Former Member	6	6

KEY ACTIVITIES AND DECISIONS OF THE COMMITTEE

- Reviewed the Company's Articles of Association to align with the amendments to the Company's Act.

While significant progress has been made in strengthening the Company's governance framework, the Committee continues to identify key areas for further improvement and enhancement. The Company's policies are reviewed regularly, with attention given to areas where new policies may be required. The Board of Directors and Management closely monitor the Company's operations, as well as the relevant laws and regulations, to ensure full compliance and uphold the principles of good governance.

On behalf of Corporate Governance and Compliance Committee

Ali Naail
Chairperson
Corporate Governance and Compliance Committee

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was established in accordance with the Articles of Association (AOA) of the Company and as required by Corporate Governance Code of the Capital Market Development Authority of Maldives

KEY ROLES AND RESPONSIBILITIES

- Developing policies on employee remuneration and determining the structure and the number of remuneration packages of individual directors and general employees of the Company. In determining such policy, no Director or manager shall be involved in any decisions relating to their own remuneration. Furthermore, the committee shall consider relevant legal and regulatory requirements, the provisions and recommendations of the Capital Market Development Authority's Governance Code, and guidance related to such matters in determining such policy.
- Reviewing the pertinence and relevance of the existing remunerations policy.
- Approving the design of any performance related pay schemes operated by the Company, determine targets for such pay schemes and approve the total annual payments made under such schemes.
- Establishing the Pension Policy of the Company, and organize matters related to pensions in compliance with the law.
- Ensure that payments made to employees upon termination from employment as agreed in the employment contract, are fair to the employee terminated, and the Company.
- Oversee any major changes in employee benefit structures throughout the Company.
- Reviewing the structure, size, and composition (including the skills, knowledge, experience, and diversity) of the Board regularly and making recommendations to the Board regarding any changes.
- Ensuring that a succession plan is in place for directors and senior executives, taking into consideration, the challenges and opportunities that the Company may face in the future, and the skill and capability required of Directors and senior executives.
- Keeping up to date and fully informed of changes to strategic matters and the business environment that could affect the Company and the markets in which it operates.
- Identifying and submitting to the Board for approval, candidates to fill Board vacancies as and when they arise.
- Developing and implementing a 'conflict of interest' policy applicable to directors, executives, and employees of the Company.
- Ensuring that directors disclose personal business interests that may give rise to a conflict of interests with the Company.
- Evaluating the performance of the Board regularly.

COMPOSITION AND ATTENDANCE

The Nomination and Remuneration Committee consists of 04 Non-Executive Independent Directors. During the year, the Committee held 19 meetings.

The Nominating Committee and Remuneration Committee were merged into a single committee, as the Board believed that the collective expertise of its Directors could be more effectively utilized in fulfilling the combined scope and functions of both committees. Members of the committee are fully aware of the distinct responsibilities each area entails, and the Board of Directors is confident that the merged committee will be able to execute these separate roles effectively.

Name	Position & Type	Required	Attended
Mr. Nasrath Mohamed	Chairperson	19	18
Mr. Ali Naail	Member	19	16
Mr. Mohamed Imran Adnan	Member	19	15
Mr. Mohamed Afeef Hussain*	Member	3	3
Mr. Sinaan Ali	Former Chairperson	19	19

**Mr. Mohamed Afeef Hussain, Chairperson of the Board, joined the 03 NRC meetings to facilitate the quorum as two sitting members declared conflict of interest.*

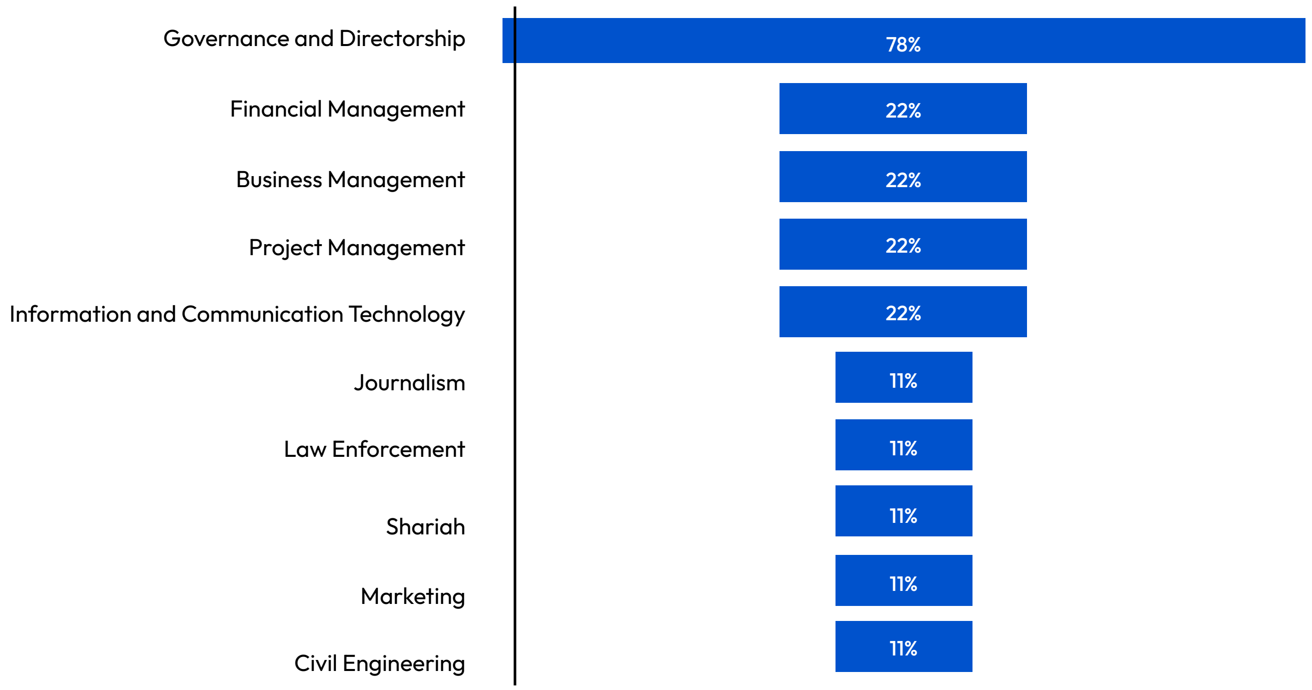
KEY DECISIONS

- Reviewed the annual health insurance and benefits procedures for the Board of Directors and management
- Appointed Directors to fill vacant positions, including the Managing Director
- Finalized and adopted a Board appointee evaluation process
- Finalized the manpower plan for the year 2025
- Reviewed and approved revisions to the manpower plan of the Construction and Dredging Division

BOARD DIVERSITY

The Company's Board of Directors comprises qualified professionals with diverse expertise and experiences, bringing insights from a range of professional and academic backgrounds. As of today, the Board consists of seven male Directors. In an effort to enhance gender diversity and comply with the Corporate Governance Code, applications from female candidates were actively encouraged during the directorship application process for the 2023 Annual General Meeting.

QUALIFICATIONS OF BOARD DIRECTORS AT THE END OF THE YEAR 2024



BOARD EVALUATION

In accordance with Clause 2.2 of the Corporate Governance Code and the Board's evaluation policy, the 2024 evaluation was conducted for Directors who served the full year.

On behalf of the Nomination and Remuneration Committee

Nasrath Mohamed
Chairperson
Nomination and Remuneration Committee

REMUNERATION REPORT

The Company remains partially compliant with Clause 2.4 of the Corporate Governance Code of the Capital Market Development Authority, which requires the disclosure of individual remuneration paid to members of the Board of Directors and key management. Due to the competitive business and employment environment in which the Company operates, the Board has opted to disclose only the aggregate remuneration paid to key management personnel.

The Board of Directors strives to ensure that remuneration levels remain moderate and appropriate. In determining salaries and incentives, the Board considers market trends and benchmarks used by companies of similar size and scope, aiming to align with best practices. Director remuneration is governed by Clause 69 of the Company's Articles of Association, which stipulates that all remuneration and fees payable to Directors must be approved by shareholders at the Annual General Meeting.

The remuneration of the Board Directors

Details	Amount (MVR)
Chairman Allowance (per month)	19,500
Board Member Allowance (per month)	11,500
Board and Committee Sitting Allowance (per sitting)	500

**The Board of Directors salary and allowance were revised and approved on 18 July 2024.*

Executive Directors of the Board receive additional remuneration through their employment at the Company. Additionally, all members of the Board are entitled to medical insurance under the Company's Medical Insurance Scheme and receive training in accordance with the Corporate Governance Code and the Company's Salary and Benefits Policy.

The Chief Executive Officer/Managing Director also serves as the Chairman of the Board of Maldives Real Estate Investment Corporation Private Limited (MREIC), a wholly owned subsidiary of the Company. The Chief Executive Officer/Executive Director and one other Director also serve on the Board of Airport Investment Pvt. Ltd.; however, no additional remuneration is provided for this role.

Directors of the Board are eligible to hold shares and debt securities of the Company. Additionally, Mr. Mohamed Afeef Hussain, the Chairman of the Board, holds one share in Maldives Real Estate Investment Corporation Private Limited.

The total remuneration paid to the Board of Directors in 2024 amounted to MVR 1,216,318.18.

Remunerations Paid to Directors of the Board in 2024

NAME	POSITION & TYPE	TOTAL (MVR)
Mr. Mohamed Afeef Hussain	Chairman	241,504.80
DCP (RETD) Mr. Ahmed Saudee	Managing Director/ Executive Director	49,532.26
Mr. Nasrath Mohamed	Non-Executive Director	182,149.90
Mr. Mohamed Imran Adnan	Non-Executive Director	181,149.90
Mr. Ali Naail	Non-Executive Director	177,483.23
Mr. Abdulla Ziyad	Former CEO/Managing Director	98,149.90
Mr. Hassan Mughnee	Former DMD/Executive Director	105,198.29
Mr. Sinaan Ali	Former Non-Executive Director	181,149.90

The shares owned by the Directors of the Company were purchased in their individual capacities, and no service contracts of the Company have been awarded to any member of the Board of Directors or key management.

The top management of the Company comprises the Chief Executive Officer and Managing Director, Deputy Managing Directors, Chief Operating Officer, Deputy Chief Operating Officer, Chief Financial Officer, Chief Internal Auditor, Chief Risk Officer, Chief Engineering and Technical Officer, Chief Procurement Officer, Chief Project Management Officer, Chief Sales Officer, Chief Marketing and People Officer, and General Managers.

Remuneration for members of top management is determined in accordance with the Company's Salary and Allowance Policy. The remuneration package, which includes a monthly basic salary and allowances, is reviewed by the Nomination and Remuneration Committee and approved by the Board of Directors.

In 2024 the aggregate remuneration paid to members of the top management amounts to MVR 18,324,337.

FUTURE OUTLOOK

MTCC remains committed to driving sustainability through strategic diversification and the expansion of our customer base. We continue to enhance our capacity to adapt to the evolving needs of the market, and ensure our offerings remain aligned to national priorities. In an increasingly competitive and challenging environment, we are dedicated to maintaining our leadership position both locally and internationally, ensuring the sustainability of the successes we have achieved.

The economic outlook for the Maldives remains strong, with a projected GDP growth rate of 6.4% and an inflation rate of 3.9% in 2025. Tourism, the backbone of the Maldivian economy, is poised to continue thriving, with 2.2 million tourist arrivals expected in 2025, supported by the completion of the Velana International Airport passenger terminal.

The Government of Maldives is expected to maintain significant investments in infrastructure development, focusing on transport, urban development, and sustainability. Key areas such as land reclamation, harbor development, and shore protection will drive growth. MTCC will continue to play a vital role in supporting these initiatives, particularly in improving connectivity and promoting sustainable growth in both tourism and urban development. As a key partner in the nation's progress, MTCC remains integral in addressing the infrastructure needs across the Maldives.

Construction and Dredging

The outlook for construction and dredging in 2025 is strong, supported by a robust portfolio of 182 ongoing projects carried forward from 2024. These include major works across harbour development, shore protection, land reclamation, building and airport construction, and road and bridge development.

Projects carried forward from 2024

Description	No. of projects
Airport	6
Bridge/Causeway	6
Building	12
Consultancy	5
Harbour	72
Jetty	2
Reclamation & Shore Protection	32
Road	6
Shore Protection	33
Internal	1
Other	7

The Division's key focus will be on the timely completion of projects carried forward from 2024, alongside new assignments secured during the year. To support this, the Construction and Dredging Division (CDD) has set a target to complete a minimum of nine projects per quarter, ensuring steady progress across the portfolio. Productivity will be enhanced through streamlined planning and resource allocation, while profitability is expected to improve with a targeted average project profitability of 28%, supported by bulk procurement and cost-efficient execution strategies.

In reclamation, the Division aims to achieve an average monthly output of 632,000 cubic meters across its fleet. Investments made in recent years to expand and modernize the dredging fleet, including assets such as Bodu Jarraafu, Jarrafa 4, and Mahaa Jarraafu, will enable us to meet this target while maintaining high operational standards.

CDD will also focus on further developing its survey and design services, strengthening its presence in this growing segment through the adoption of new technologies and innovative practices. Enhanced project management systems and advanced survey tools will support greater efficiency, data accuracy, and overall service quality.

In the private sector, particularly in tourism-related infrastructure, CDD sees strong potential for growth. Dedicated engagement with this segment will continue, with the goal of securing at least MVR 244 million in revenue from private clients, as part of the total targeted annual revenue of MVR 2.6 billion. At the same time, internal initiatives will prioritize health and safety compliance, environmental management, and the expansion of regional warehousing to improve supply chain responsiveness.

Trading

With a growing customer base, a broad and trusted product portfolio, and continued demand across the marine, tourism, and industrial sectors, the Trading Division enters 2025 with strong momentum. As the exclusive distributor of several globally recognized brands such as Yanmar, Suzuki, Castrol, PPG, and Scott Bader, MTCC continues to serve a wide range of customers including fishermen, resort operators, utility providers, and boat builders.

The Division has set an annual sales target of MVR 325 million, with growth expected from both core product lines and the introduction of new market development initiatives. A key area of focus in 2025 will be the expansion of Castrol lubricants into the resort-based power generation segment, supported by a targeted marketing and distribution push. Additionally, the introduction of Yanmar RSW systems and marine generators for fishing vessels are expected to contribute to revenue growth while diversifying the product offering.

To support this momentum, the Division will enhance its nationwide reach through the appointment of authorized sales agents in all atolls, improving accessibility and responsiveness. Regular field visits, awareness programs, and product seminars will continue to strengthen customer engagement, alongside active participation in industry expos and trade events to increase visibility and support sales conversion.

Internal improvements will also play a key role in driving performance. Upgrades to warehousing facilities in Malé and Thilafushi, along with the acquisition of new delivery vehicles, are planned to improve distribution and logistics. The implementation of CRM software, an ERP-retail module, and the launch of an e-commerce platform will further enhance customer experience, service delivery, and operational efficiency.

After-sales service continues to be a key strength of the Division's offering. The introduction of a formal warranty policy and a structured customer service enhancement plan will help ensure customer satisfaction and retention. At the same time, the Division aims to reduce lead times for key product deliveries through improved demand forecasting, maintaining regular freight schedules, and enhancing order processing for both sea and air shipments.

With clear strategic priorities, strong brand partnerships, and a focus on customer satisfaction, the Trading Division is well-positioned to meet its targets for 2025. Continued investment in infrastructure, technology, and service delivery will enable the Division to respond effectively to evolving market needs and further strengthen its role in MTCC's growth and diversification

Engineering and Repair

The Engineering and Repair Division (ERD) enters 2025 in a phase of significant transformation, with a renewed focus on service expansion, operational restructuring, and market-driven growth. While continuing to serve MTCC's extensive fleet of 89 vessels, ERD is scaling up its external services, targeting increased revenue from the tourism, fishing, government, and logistics sectors.

The Division has set a target of generating over MVR 30 million in external revenue, alongside over MVR 100 million from internal services. This is supported by an expanding portfolio that includes vessel docking, electrical and mechanical repairs, welding and fabrication, machining, underwater services, and now, dedicated shipbuilding and vessel conversion capabilities.

Alongside plans to enter into shipbuilding, new initiatives such as the development of a steel processing workshop, expansion of slipway capacity to accommodate 2,000 MT vessels, and the introduction of GRP vessel production demonstrate continued investment in strengthening SRD's technical capabilities.

A key focus area for 2025 is improving service quality and reliability. The Division aims to achieve a customer satisfaction score above 90%, deliver over 80% of projects on time, and maintain defect liability below 5%. Enhancing technical capacity through the development of welding facilities, obtaining classification approvals from international bodies such as BV and DNV GL, and implementing standardized procedures are part of this effort.

ERD also plans to introduce a dedicated shipyard management system and implement significant improvements to internal processes, aimed at reducing quotation and invoice processing times. At the same time, investment in human capital will remain a priority, with structured training programs targeting at least 90% staff participation, and a focus on specialized skill development in welding, safety, and ship design.

Energy efficiency and cost control remain key priorities for ERD in 2025. Plans include installing solar panels to reduce long-term energy costs and implementing preventive maintenance schedules to minimize downtime. The Division will also focus on better resource planning, streamlined inventory management, and reducing operational inefficiencies to enhance overall efficiency and sustainability.

Transport

The outlook for the Transport Division in 2025 is shaped by steady growth in demand, continued government support, and the strategic expansion of public transport services across the country. As the provider of both land and marine transport, MTCC remains a key partner in delivering reliable, affordable, and accessible transportation to communities throughout the Maldives.

Through the Raajje Transport Link (RTL) network, MTCC currently operates speed ferry services in four zones covering nine atolls, with plans to expand coverage under the government's national high-speed ferry initiative. The Division also maintains a nationwide conventional ferry network, and operates land transport services in Greater Malé and selected atolls, with regular inter-island bus services. The scope of services is further supported by charter operations and terminal management, including the Izzudheen Jetty.

In 2025, the Division will focus on increasing ridership across all services, with a target to grow overall ridership by 5%, supported by digital ticketing initiatives, mobile app enhancements, and promotional campaigns targeting both residents and purpose-based travellers. Service quality will be further improved through upgrades such as automated announcements, Wi-Fi on board, luggage facilities at major terminals, and a customer experience goal of achieving a satisfaction score above 85%.

Operational efficiency will remain central to performance. MTCC will optimize routes, digitize processes, and strengthen maintenance coordination to achieve a fleet serviceability ratio above 85%. Longer-term sustainability goals will also be advanced through investment in new vessels, including hybrid-electric cargo ferry development. Internal capacity-building will continue through structured technical training and staff engagement initiatives. The Division aims to complete over 90% of scheduled skill development programs, while fostering a motivated and capable workforce through a continued focus on staff wellbeing and professional growth. As part of these efforts, rest and recreational facilities will be developed at key terminals.

In 2025, the Transport Division will continue to enhance national connectivity and access through reliable, affordable services across land and sea. With its extensive reach and public mandate, the Division will continue to play a vital role in delivering inclusive, sustainable mobility across the Maldives.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Maldives Transport and Contracting Company PLC

Report on the Audit of the Financial Statements

Our opinion

We have audited the financial statements of Maldives Transport and Contracting Company PLC (the Company) and the consolidated financial statements of the Company and its subsidiary (the Group) which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the consolidated financial statements of the Group give a true and fair view of the financial position of the Company and the Group as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for opinion

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

Key Audit Matters

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

C.S. Manoharan FCA, T.U. Jayasinghe FCA, Jatindra Bhattray FCA, Prasanta Misra FCA, Mohamed Siraj Muneer FCA

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Key audit matter	How our audit addressed the Key audit matter
The Company and the Group:	
Construction contract revenue Refer to the material accounting policy notes 2.12 and 2.23 to the financial statements. The revenues from construction and dredging contracts are recognised over time. These contracts executed by the Company satisfy the related performance obligations over time and create /enhances assets that the customers have control over, as such assets are created / enhanced. The Group uses the input method to determine the amount of revenue to be recognised in a given period and the stage of completion is measured by reference to total cost incurred relative to total estimated cost. We focused on this area due to the significance of the revenue recognized during the year from construction and dredging contracts, which amounted to MVR 1,716,370,622 and because the percentage completion of ongoing contracts involved estimation of future costs for each of those contracts. Any error in judgment or intent while estimating future costs could result in an over/understatement of revenue and, therefore we identified the recognition of revenue from construction and dredging contracts as a key audit matter.	Specific work that we performed on the estimated contract costs used to calculate percentage completion of construction and dredging contracts determined by the management in the input method of revenue recognition included the following: i) We understood the budgetary process for individual contracts, the inbuilt controls and checked the operating effectiveness of the relevant controls, over the process. ii) Checked the reliability of the budgeted costs by comparing the actual costs of selected contracts completed during the year with the respective budgets. iii) Checked the approved summary of contract budgets on a sample basis with reference to the detailed bills of quantity (BOQ), estimated labour hours and related costs and other overhead costs. Tested the mathematical accuracy of management's estimates of future costs and margin at completion. iv) Evaluated the appropriateness and consistency of the methods and assumptions used by management to develop the estimates of future costs and margin at completion.

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Key audit matter	How our audit addressed the Key audit matter
The Company and the Group: **Impairment of trade receivables, receivables from related parties, contract assets and retention receivable** Refer to material accounting policy Note 2.10 (iv) and Note 3.1 to the financial statements. As at 31 December 2024 the Group's trade receivables, receivables from related parties, contract assets and retention receivable amounted to MVR 1,739,791,341 before provision for impairment. These trade receivables, receivables from related parties, contract assets and retention receivable are measured at amortized cost using effective interest method. Impairment provision is recorded to adjust the balances to the present value of the estimated future cash flows. The provision for impairment of trade receivables, receivables from related parties, contract assets and retention receivable amounted to MVR 72,926,978 as at 31 December 2024. Impairment provision is calculated using statistical methods and historical collection trends adjusted for forward looking information. Significant estimates and assumptions used by the management in such calculations and the basis for impairment allowance is disclosed in Note 3.1. We considered the calculation of impairment provision as a key audit matter as it is a complex area requiring management to make significant estimates and assumptions on customer payment behaviours and since the amount of impairment provision recognized in the financial statements is significant.	Our audit procedures of this matter included the following: i) Tested the completeness of the trade receivables, receivables from related parties, contract assets and retention receivable considered in the impairment provision calculation by checking the arithmetical accuracy of the listing obtained and matching the outstanding balances with the general ledger. ii) Checked the accuracy of the data considering individual contract assets, retention receivable, receivables from related parties and trade receivable balances and the aging of such balances on a sample basis, to determine whether management's identification of assets requiring impairment allowance was appropriate. iii) We tested the key underlying assumptions used by evaluating the process by which those were drawn up and their sources. We also checked the sensitivity of the forward-looking information used in calculation of expected credit losses. iv) We checked the appropriateness of the methodology applied in the determination of impairment provision calculation by referencing to the requirements of IFRS 9, Financial instruments; recognition and measurement, and tested the worksheet formulas and logic including mathematical accuracy of management's model used to calculate the impairment provision.

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Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

For and on behalf of DELOITTE PARTNERS
MALE`

Licensed Partner : Mohamed Siraj Muneer
License No : ICAM-IL-DZK
2 June 2025

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MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC
Financial statements - 31 December 2024

Statement of financial position

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	Group Year ended 31 December 2024	Group 2023	Company 2024	Company 2023
ASSETS					
Non-current assets					
Property, plant and equipment	6	1,562,322,502	1,754,545,647	1,562,322,502	1,754,545,647
Investment properties	6.1	16,761,411	13,171,257	18,590,925	15,379,291
Right-of-use assets	6.2	74,230,158	94,213,691	74,230,158	94,213,691
Intangible assets	7	16,629,481	20,625,236	16,629,481	20,625,236
Investment in subsidiary	8.1	-	-	346,565	346,565
Financial assets at fair value through other comprehensive income	9	155,558,160	175,276,800	155,558,160	175,276,800
Deferred tax assets	10	113,684,444	87,228,144	113,684,444	87,228,144
Trade and other receivables	11	6,449,166	3,245,066	6,449,166	3,245,066
		1,945,635,322	2,148,305,841	1,947,811,401	2,150,860,440
Current assets					
Inventories	12	668,334,382	950,404,090	668,334,382	950,404,090
Trade and other receivables	11	2,550,592,585	1,965,605,592	2,550,621,847	1,965,612,585
Contract assets	11	244,657,772	595,386,076	244,657,772	595,386,076
Cash and cash equivalents	13	25,005,399	52,840,523	24,490,417	52,324,470
		3,488,590,138	3,564,236,281	3,488,104,418	3,563,727,221
Total assets		5,434,225,460	5,712,542,122	5,435,915,819	5,714,587,661
EQUITY AND LIABILITIES					
Equity					
Share capital	14	40,188,745	40,188,745	40,188,745	40,188,745
Share premium	14	173,151,693	173,151,693	173,151,693	173,151,693
General reserve	14	225,000,000	225,000,000	225,000,000	225,000,000
Fair value reserves	14	130,193,530	146,954,374	130,193,530	146,954,374
Retained earnings		1,176,477,528	1,180,992,112	1,178,185,600	1,183,059,087
Total equity		1,745,011,496	1,766,286,924	1,746,719,568	1,768,353,899
Liabilities					
Non-current liabilities					
Borrowings	15	187,929,055	331,265,475	187,929,055	331,265,475
Shareholder loan	16	52,091,034	48,925,468	52,091,034	48,925,468
Trade payables	17	18,890,627	54,383,262	18,890,627	54,383,262
Lease liabilities	6.2	81,576,739	88,030,854	81,576,739	88,030,854
Employee retirement benefit	17	41,572,746	36,863,663	41,572,746	36,863,663
		382,060,201	559,468,722	382,060,201	559,468,722
Current liabilities					
Borrowings	15	275,131,025	276,087,259	275,131,025	276,087,259
Shareholder loan	16	132,711,084	135,876,650	132,711,084	135,876,650
Lease liabilities	6.2	7,543,933	20,651,689	7,543,933	20,651,689
Trade and other payables	17	2,679,506,040	2,688,388,569	2,679,488,327	2,688,367,133
Income tax payable	22	80,024,393	50,974,192	80,024,393	50,974,192
Contract liabilities	17	132,237,288	214,808,117	132,237,288	214,808,117
		3,307,153,763	3,386,786,476	3,307,136,050	3,386,765,040
Total liabilities		3,689,213,964	3,946,255,198	3,689,196,251	3,946,233,762
Total equity and liabilities		5,434,225,460	5,712,542,122	5,435,915,819	5,714,587,661

These financial statements were approved by the Board of Directors on 1 June 2025

Hussain Mohamed Manik Chief Financial Officer	DCP (RETD) Ahmed Saudee Managing Director	Mohamed Imran Adnan Chairman - Audit & Risk Committee	Mohamed Afeef Hussain Chairman - Board of Directors

The notes on pages 13 to 74 are an integral part of these financial statements.

MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC
Financial statements - 31 December 2024

Statement of profit or loss

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	Group Year ended 31 December 2024	Group 2023	Company 2024	Company 2023
Revenue from contracts with customers	5	2,156,778,316	3,201,651,265	2,156,778,316	3,201,651,265
Cost of sales	19	(1,955,396,090)	(2,524,542,417)	(1,955,396,090)	(2,524,542,417)
Gross profit		201,382,226	677,108,848	201,382,226	677,108,848
Other income	18	401,188,005	53,718,454	401,188,005	53,548,583
Selling and marketing expenses	19	(7,517,154)	(6,985,120)	(7,517,154)	(6,985,120)
Administrative expenses	19	(346,970,578)	(373,391,885)	(347,336,716)	(373,755,092)
Impairment loss on financial / contract assets	19	(12,836,799)	(10,935,673)	(12,836,799)	(10,935,673)
Other operating expenses	19	(69,138,046)	(61,801,454)	(69,130,811)	(61,787,954)
Operating profit		166,107,654	277,713,170	165,748,751	277,193,592
Finance income	21	8,709,025	11,614,249	8,709,025	11,614,249
Finance costs	21	(125,209,114)	(173,977,430)	(125,209,114)	(173,977,430)
Profit before tax		49,607,565	115,349,989	49,248,662	114,830,411
Tax expense	22	(4,397,628)	(18,224,067)	(4,397,628)	(18,224,067)
Profit after tax for the year		45,209,937	97,125,922	44,851,034	96,606,344
Earnings per share	23	5.62	12.08	5.58	12.02

The notes on pages 13 to 74 are an integral part of these financial statements.

Statement of comprehensive income

(all amounts in Maldivian Rufiyaa unless otherwise stated)

		Group		Company	
		Year ended 31 December			
		2024	2023	2024	2023
	Note				
Profit after tax for the year		45,209,937	97,125,922	44,851,034	96,606,344
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Re-measurements of retirement benefit obligations	17	7,693,791	6,806,698	7,693,791	6,806,698
Changes in the fair value of equity investments at fair value through other comprehensive income	9	(19,718,640)	5,477,400	(19,718,640)	5,477,400
Related tax	10	1,803,727	(1,842,615)	1,803,727	(1,842,615)
Other comprehensive income for the year, net of tax		(10,221,122)	10,441,483	(10,221,122)	10,441,483
Total comprehensive income for the year		34,988,815	107,567,405	34,629,912	107,047,827

The notes on pages 13 to 74 are an integral part of these financial statements.

Statement of changes in equity - Group

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	Share capital	Share premium	General reserve	Fair value reserves	Retained earnings	Total
Balance at 1 January 2023		40,188,745	173,151,693	225,000,000	142,298,584	1,078,080,497	1,658,719,519
Profit for the year		-	-	-	-	97,125,922	97,125,922
Other comprehensive income for the year		-	-	-	4,655,790	5,785,693	10,441,483
Total comprehensive income for the year		-	-	-	4,655,790	102,911,615	107,567,405
Balance at 31 December 2023		40,188,745	173,151,693	225,000,000	146,954,374	1,180,992,112	1,766,286,924
Balance at 1 January 2024		40,188,745	173,151,693	225,000,000	146,954,374	1,180,992,112	1,766,286,924
Profit for the year		-	-	-	-	45,209,937	45,209,937
Other comprehensive income for the year		-	-	-	(16,760,844)	6,539,722	(10,221,122)
Total comprehensive income for the year		-	-	-	(16,760,844)	51,749,659	34,988,815
Transactions with the owners							
Dividend declared	25	-	-	-	-	(56,264,243)	(56,264,243)
Balance at 31 December 2024		40,188,745	173,151,693	225,000,000	130,193,530	1,176,477,528	1,745,011,496

The notes on pages 13 to 74 are an integral part of these financial statements.

MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC
Financial statements - 31 December 2024

Statement of changes in equity - Company

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	Share capital	Share premium	General reserve	Fair value reserves	Retained earnings	Total
Balance at 1 January 2023		40,188,745	173,151,693	225,000,000	142,298,584	1,080,667,050	1,661,306,072
Profit for the year		-	-	-	-	96,606,344	96,606,344
Other comprehensive income for the year		-	-	-	4,655,790	5,785,693	10,441,483
Total comprehensive income for the year		-	-	-	4,655,790	102,392,037	107,047,827
Transactions with the owners							
Dividend declared	25	-	-	-	-	-	-
Balance at 31 December 2023		40,188,745	173,151,693	225,000,000	146,954,374	1,183,059,087	1,768,353,899
Balance at 1 January 2024		40,188,745	173,151,693	225,000,000	146,954,374	1,183,059,087	1,768,353,899
Profit for the year		-	-	-	-	44,851,034	44,851,034
Other comprehensive income for the year		-	-	-	(16,760,844)	6,539,722	(10,221,122)
Total comprehensive income for the year		-	-	-	(16,760,844)	51,390,756	34,629,912
Transactions with the owners							
Dividend declared	25	-	-	-	-	(56,264,243)	(56,264,243)
Balance at 31 December 2024		40,188,745	173,151,693	225,000,000	130,193,530	1,178,185,600	1,746,719,568

The notes on pages 13 to 74 are an integral part of these financial statements.

MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC
Financial statements - 31 December 2024

Statement of cash flows

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	Group 2024	Group 2023	Company 2024	Company 2023
		Year ended 31 December			
Cash flows from operating activities					
Cash generated from operations	24	377,296,108	769,919,735	377,297,179	772,507,363
Interest paid	21	(76,714,892)	(79,851,852)	(76,714,892)	(79,851,852)
Lease interest paid	21	(12,328,983)	(14,661,796)	(12,328,983)	(14,661,796)
Retirement benefits paid	17	(722,110)	(1,415,060)	(722,110)	(1,415,060)
Income tax paid	22	-	(41,340,751)	-	(41,340,751)
Net cash generated from operating activities		287,530,123	632,650,276	287,531,194	635,237,904
Cash flows from investing activities					
Investments in property, plant and equipment	6	(154,459,282)	(516,694,121)	(154,459,282)	(516,694,121)
Investments in intangible assets	7	-	(1,654,478)	-	(1,654,478)
Investments in investment properties	6.1	(7,077,559)	-	(7,077,559)	-
Proceeds from sale of property, plant and equipment	24	66,898	346,328	66,898	346,328
Interest received	21	8,709,025	11,614,249	8,709,025	11,614,249
Dividends received	18	10,954,800	8,763,840	10,954,800	8,763,840
Net cash used in investing activities		(141,806,118)	(497,624,182)	(141,806,118)	(497,624,182)
Cash flows from financing activities					
Repayments of borrowings		(230,686,627)	(288,747,592)	(230,686,627)	(288,747,592)
Proceeds from borrowings		98,604,388	181,127,190	98,604,388	181,127,190
Principal elements of leases payments	6.2	(21,200,614)	(26,257,920)	(21,200,614)	(26,257,920)
Dividends paid to the shareholders		(8,065,861)	(19,349,397)	(8,065,861)	(19,349,397)
Net cash generated from / (used in) financing activities		(161,348,714)	(153,227,719)	(161,348,714)	(153,227,719)
Net decrease in cash, cash equivalents and bank overdraft		(15,624,709)	(18,201,625)	(15,623,638)	(15,613,997)
Cash, cash equivalents and bank overdrafts at beginning of the year		23,567,687	41,769,312	23,051,634	38,665,631
Cash, cash equivalents and bank overdrafts at end of the year	13	7,942,978	23,567,687	7,427,996	23,051,634

The notes on pages 13 to 74 are an integral part of these financial statements.

Notes to the financial statements

(all amounts in Maldivian Rufiyaa unless otherwise stated)

1 General Information

Maldives Transport and Contracting Company PLC (the "Company") and its Subsidiary (the "Group") is incorporated and domiciled in the Republic of Maldives. The Company is a public limited liability company incorporated under the Act 4/81 on 18 December 1980. The Company was re-registered with the Ministry of Trade and Industries on 12 February 1990.

The principal activities undertaken by the Group include trading, contracting, marine transportation, ship agency, docking services, real estate and auctioning. The address of its registered office is MTCC Tower, Boduthakurufaanu Magu, Male' 20057, Republic of Maldives. The Group's shares are listed on the Maldives stock exchange.

2 Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied over the years, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with IFRS

The financial statements of Maldives Transport and Contracting Company PLC (the "Company") and its subsidiary (the "Group") have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

(iii) New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting periods commencing 1 January 2024. Most of the amendments listed below did not have any significant impact on amounts recognised in prior periods and are not expected to significantly affect current or future period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards:

i. Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements
ii. Arrangements Amendments to IAS 1 Classification of Liabilities as Current or Non-current
iii. Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants
iv. Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

(iv) New and amended standards and interpretations issued but not yet effective

A number of new standards for annual periods beginning after 01 January 2025 and earlier application is permitted; however, the Group has not early adopted the amended standards in preparing these financial statements.

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

(i) Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability
(ii) IFRS 18 Presentation and Disclosures in Financial Statements
(iii) IFRS 19 Subsidiaries without Public Accountability: Disclosures
(iv)Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements and,
(v)Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the group in future periods.

2.2 Consolidation

Subsidiary

Subsidiaries are all entities (including structured entities) over which the Group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group company are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiary has been changed where necessary to ensure consistency with the policies adopted by the group.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor’s share of the profit or loss of the investee after the date of acquisition.

The Group’s share of its associates’ post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group derecognizes an investment in an associate when it no longer has significant influence over the associate, or when the associate is disposed of, liquidated, or ceases to operate. In accordance with IAS 28 – Investments in Associates and Joint Ventures, the carrying amount of the investment is removed from the financial statements on the date of derecognition. If the investment had previously been fully impaired and the carrying value is nil, any proceeds received from liquidation or disposal are recognized as a gain in profit or loss. All gains or losses arising on derecognition are reported under “Other income” in the statement of profit or loss.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The Board of Directors considers a business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Thus the primary segments of the Group are as follows:

i) Trading	ii) Construction and Dredging	iii) Transport
iv) Real estate	v) Others	

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Maldivian Rufiyaa, which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

2.5 Property, plant and equipment

All property, plant and equipment, which are initially recorded at historical cost, is stated at cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, over their estimated useful lives or, in the case buildings constructed on leasehold land and improvements made to the leasehold premises , the shorter of lease term as follows:

Land improvements and buildings

Buildings (other than MTCC tower)	10 years
MTCC tower	25 years

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

2.5 Property, plant and equipment (continued)

Plant and machinery	
Plant and machinery	5 years
Excavators	5-7 years
Wheel loaders	5 years
Cranes	5 years
Motor vehicles	
Motor vehicles	5 years
Dump trucks	5 years
Vessels	
Dredging vessels	10-25 years
Vessels	5-10 years
Tug boats	5-10 years
Furniture and office /communication equipment	
Furniture and fittings	4 years
Office equipment	3 years
Sundry assets	
Tools	3 years
Other assets	3 years

When values of acquisitions are less than MVR 5,000 those assets are depreciated fully in the year of acquisition irrespective of their useful lifetime.

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Sundry assets comprises of containers, cylinders, water tanks, tools and other light equipment used for construction works.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

2.6 Investment properties

Investment properties, principally office buildings, are held for long-term rental yield and are not occupied by the group. Investment properties are initially measured at cost, including transaction costs. After initial recognition, investment properties are accounted for in accordance with the cost model as set out in IAS 16 Property, Plant and Equipment – cost less accumulated depreciation and less accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, over their estimated useful lives or, in the case buildings constructed on leasehold land and improvements made to the leasehold premises, the shorter of lease term as follows:

Buildings (other than MTCC tower)	10 years
MTCC tower	25 years

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

2.7 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives (between 5-10 years). The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.8 Impairment of assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Leases

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based 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 group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group, which does not have recent third party financing, and makes adjustments specific to the lease, eg term, country, currency and security.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

2.9 Leases (continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of vessels and houses are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Extension and termination options are included in a number of leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in group operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

2.10 Investments and other financial assets

(i) Classification

The group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

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

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

2.10 Investments and other financial assets (continued)

Debt instruments

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

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

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

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

(iv) Impairment

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

For trade receivables, contract assets and retention receivables the group applies the allowance Matrix approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. For receivables under tawmil taksit credit scheme (Shariah compliant) group measures credit risk using staging method. See note 3.1 (iii) for further details.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

2.10 Investments and other financial assets (continued)

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forwardlooking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the group's core operations.

2.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method and includes import duty, insurance, freight, port charges and bank charges. The cost does not include borrowing cost. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2.12 Construction contracts

A construction contract is defined by IFRS 15, 'Revenue from Contracts with Customers', as a contract specifically negotiated for the construction of an asset.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract by reference to the stage of completion. Contract costs are recognized as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

On the statement of financial position, the Group reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognized profits (less recognized losses) exceed progress billings; a contract represents a liability where the opposite is the case.

In determining cost incurred up to year end, any costs relating to future activity on a contract are excluded and shown as contract work in progress. The aggregate of the cost incurred and the profit/loss recognized on each contract is compared against the progress billings up to the year end. Where the sum of the costs incurred and recognized profit or loss exceeds the progress billings, the balance is shown under receivables and prepayments as due from customers on contracts.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

2.13 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. See note 3.1 (iii) for a description of the group's impairment policies.

2.14 Cash and cash equivalents

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

2.15 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Other long-term employee benefit obligations

The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

Defined benefit obligation

The group has voluntarily implemented a defined benefit obligation plan.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. However, in Maldives there is no deep market in such bonds and therefore market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Defined contribution plan - pension contribution

The Group is liable to enroll the employees in the Retirement Pension Scheme with effect from 1 May 2011 based on the Regulation on Maldives Retirement Pension Scheme published by Government of Maldives and shall make contributions at a rate of 7% from the employee's pensionable wages on behalf of the employees of age between 16 and 65 years to the pension office. The Group's contribution to retirement pension scheme is at the rate of 7% on pensionable wages. Contributions to retirement pension scheme is recognized as an employee benefit expense in the statement of comprehensive income.

MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC
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Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

2.16 Share capital

Ordinary shares are classified as equity.

2.17 Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the shareholders.

2.18 Borrowings and loans from shareholders

Borrowings and loans from shareholders are recognized initially at fair value, net of transaction costs incurred. Borrowings and loans from shareholders are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss over the period of the borrowings using the effective interest method.

Borrowings and loans from shareholders are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

2.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.20 Trade and other payables

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

2.21 Provisions

Provisions are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

2.22 Current and deferred income tax

The tax expenses for the period comprises current income tax. Tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

2.22 Current and deferred income tax (continued)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax computation with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The provisions for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Income Tax Act.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized.

Deferred tax is recognized, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.23 Revenue recognition

The Group generates revenue from the construction and dredging projects, provision of transport service to the general public and for personal hires, trading in products related to marine transport and construction, provision of logistics services, docking and maintenance services and real estate. Other services of revenue include rental income from properties and advertisement income.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

For contracts that include deferred payment terms that exceed twelve months, the group adjusts the transaction price for the financing component with the impact recognised as interest income.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms, and the related revenue recognition policies.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

2.23 Revenue recognition (continued)

Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Construction and dredging contracts	The Group carries out construction and dredging projects based on customers' specifications and on customers' lands. Payment of the contract price is stipulated in construction and dredging agreements and are based on each milestone completed by the Company. Construction and dredging invoices are payable within 45 days unless specific payment terms are stipulated in the agreement. Construction related defects are rectified by the Company and a percentage of contract amount due is kept by the customer as retention until completion of one year from the date project get fully completed and handover to the customer with the agreed quality.	Revenue is recognized over time by measuring progress towards complete satisfaction of performance obligation at the reporting date, measured based on the proportion of contract cost incurred for work performed to date relative to the estimated total contracts costs, using input method.
Trading division – industrial products and related spare parts	Customers obtain control of the products when the goods are delivered to the customers. Payment of the transaction price is due immediately when customer purchased the products unless customer under credit facility. Customers have right to return the goods, due to inconvenience caused by the act of trading staff such as issuing a wrong product type, size and etc. The group's obligation to repair or replace faulty products under the standard warranty terms relating to engine sales are borne by the manufacturer.	Revenue is recognized when the goods are delivered to the customer, the customer has accepted the products and collectability of related receivables is reasonably assured.
Transport services	Customers consume the service at the point of providing the service. Payment of the transaction price is due immediately when customer obtain the service.	Revenue is recognized when the transport service is provided to the customers.
Logistics Services	Customers receive the service at the point of providing the service. Payment of the transaction price is due immediately when customer obtain the service.	Revenue is recognized when the logistics service is provided to the customers.
Real estate	Customers receive the service at the point of providing the service. Payment of the transaction price is due immediately when the service is provided.	Revenue is recognized when the service is provided to the customers.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

2.23 Revenue recognition (continued)

Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Docking and maintenance services	Customers receive the service both point in time (repair) and over the time (dock rent, electricity and water charges). Payment of the transaction price is due immediately when customer obtained the service unless customer under credit facility.	Revenue is recognized when the service is provided to the customers both under point in time and over the time.

The Group recognizes other income sources as follows:

(a) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method.

(b) Dividend income

Dividend income is recognized when the right to receive payment is established.

(c) Rental income

Rental income is recognized on an accrual basis in accordance with the substance of the relevant agreement.

(d) Subsidy income

Subsidy incomes are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company uses the percentage-of-completion method in accounting for its fixed price contracts to deliver design services. Use of the percentage-of-completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed. Where the proportion of services performed to total services to be performed to differ by 1% from management's estimates, the amount of revenue recognised in the year would be increased or decreased by MVR 42,062,291 (2023: MVR 40,171,490).

Financing components

An element of financing is deemed present for the Group's construction revenue. In determining the transaction price, the Group adjusts the promised consideration for the effects of the financing component using a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, such that it reflects the credit characteristics of the party receiving financing in the contract.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

2.24 Comparatives

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

3 Financial risk management

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit and risk committee oversees how management monitors compliance with the Group's risk management policies and procedures. and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit and risk committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

3.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instruments fails to meet its contractual obligations, and arises from cash and cash equivalents, deposits with banks and financial institutions, outstanding receivables, as well as credit exposures to contract and retail customers, including contract assets.

(i) Risk management

Credit risk is managed in the following manner.

For banks and financial institutions, only reputed local and foreign branches are accepted.

Credit quality of customers are assessed by taking into accounts its financial position, past experience and other factors. The compliance with credit limit by customers is regularly monitored by the management.

(ii) Security

For some trade receivables the group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Impairment of financial assets

The group has following three types of financial assets which are subject to impairment based on allowance Matrix.

- trade receivables for sales of inventory and from the provision of construction, dredging and other services

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

- contract assets relating to construction and dredging contracts

- retention receivable from contracts

Exposures within each credit risk grades are segmented by the type of the customer.

Non-interest bearing trade and other receivable

The Company uses an allowance Matrix to measure the ECLs of non-interest bearing trade and other receivables from its customers in government and corporate segments. Loss rates are calculated using a "role rate" method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the type of the customer.

To measure the expected credit losses, non-interest bearing trade receivables, contract assets and retention receivable from contracts have been grouped based on shared credit risk characteristics and the days past due. The contract assets related to unbilled work in progress and retention receivable have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for non-interest bearing trade receivables are a reasonable approximation of the loss rates for the contract assets and retention receivable from contracts.

Loss rates are based on actual credit loss experience over the past five years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on GDP forecast data obtained by the Company from the report available in the IMF website “world economic outlook database.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 45 days past due.

Receivable from private customers (non-interest bearing trade receivable, contract assets and retention receivables) are considered as default when it is more than 60 days past due. The default presumptiom of 90 days is rebutted for private customers. This rebuttal will be monitored and reviewed by credit department on an annual basis to ensure it is appropriate.

90 days default presumption is applied for government customers (non-interest bearing receivables from related parties, contract assets and retention receivables).

Economic variable assumptions

The economic variable assumptions used for the ECL estimate as at 31 December 2024 are set out below:

	2025	2026	2027	2028	2029
GDP growth	4.70%	4.80%	4.50%	4.50%	4.50%

Sensitivity analysis

Set out below are the changes to the ECL on non-interest bearing contract assets, trade and related party receivables from its customers in government and corporate segments as at 31 December 2024 that would result from reasonably possible changes in the parameter from the actual assumption used in Group’s economic variable assumption.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

	GDP		
	-1%	No change	+1%
Group	MVR	MVR	MVR
Loss allowance as at 31 December 2024	71,217,640	69,268,602	67,771,732
Loss allowance as at 31 December 2023	58,074,452	56,389,788	55,183,856
Company			
Loss allowance as at 31 December 2024	67,532,642	65,583,604	64,086,734
Loss allowance as at 31 December 2023	54,389,454	52,704,790	51,498,858

Impairment losses on financial assets recognised in profit or loss is as follows:

	Group		Company	
	2024	2023	2024	2023
	MVR	MVR	MVR	MVR
Impairment loss on contract assets, trade and related party receivables	69,268,602	56,389,788	65,583,604	52,704,790
	69,268,602	**56,389,788**	**65,583,604**	**52,704,790**

Impairment losses

	Group		Company	
	2024	2023	2024	2023
	MVR	MVR	MVR	MVR
- Movement in loss allowance for contract assets, trade and related party receivables	12,878,814	11,357,938	12,878,814	11,357,938
- Net impairment loss on contract assets, trade and related party receivables	**12,878,814**	**11,357,938**	**12,878,814**	**11,357,938**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the sector in which customers operate.

The maximum exposure to credit risk of trade and other receivable at the reporting date is as follows:

	Group Carrying amount		Company Carrying amount	
	2024	2023	2024	2023
	MVR	MVR	MVR	MVR
Trade receivables	208,733,313	183,790,747	205,048,315	180,105,749
Contract assets	244,657,772	595,386,076	244,657,772	595,386,076
Retention receivable from contracts	22,691,960	6,406,578	22,691,960	6,406,578
Receivables from related parties	1,263,708,296	1,163,662,753	1,263,737,558	1,163,669,746
Deposits	15,402,884	30,489,210	15,402,884	30,489,210
Other receivables	1,035,202,523	501,032,628	1,035,202,523	501,032,628
Prepayments	123,337,113	179,518,819	123,337,113	179,518,819
Less: Provision for receivables	(112,034,338)	(96,050,077)	(108,349,340)	(92,365,079)
Cash at bank	24,951,956	52,677,741	24,445,143	52,169,857
	2,826,651,479	2,616,914,475	2,826,173,928	2,616,413,584

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for non-interest bearing trade receivables, contract assets and retention receivable from contract for non government customers segment.

	Group		
	Weighted average loss rate	Gross carrying amount MVR	Loss allowance MVR
As at 31 December 2024			
Not past due	0.26%	146,864,427	380,873
61-180 days	4.00%	3,813,638	152,546
181-365 days	4.00%	5,463,893	218,556
More than 365 days	34.16%	76,754,899	26,217,931
		232,896,856	**26,969,905**
As at 31 December 2023			
Not past due	0.16%	214,221,074	339,156
61-180 days	3.00%	8,136,001	244,080
181-365 days	3.00%	6,854,065	205,622
More than 365 days	62.16%	39,841,647	24,765,514
		269,052,788	**25,554,373**

The following table provides information about the Company's exposure to credit risk and ECLs for non-interest bearing trade receivables, contract assets and retention receivable from contract for non government customers segment.

	Company		
	Weighted average loss rate	Gross carrying amount MVR	Loss allowance MVR
As at 31 December 2024			
Not past due	0.26%	146,864,427	380,873
61-180 days	4.00%	3,813,638	152,546
181-365 days	4.00%	5,463,893	218,556
More than 365 days	30.84%	73,069,901	22,532,933
		229,211,858	**23,284,907**
As at 31 December 2023			
Not past due	0.16%	214,221,074	339,156
61-180 days	3.00%	8,136,001	244,080
181-365 days	3.00%	6,854,065	205,622
More than 365 days	58.30%	36,156,649	21,080,516
		265,367,790	**21,869,375**

The following table provides information about the Group's exposure to credit risk and ECLs for non-interest bearing trade receivables, contract assets and retention receivable from contract for government customers segment as at 31 December 2024.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

	Group		
	Weighted average loss rate	Gross carrying amount MVR	Loss allowance MVR
As at 31 December 2024			
Not past due	0.45%	932,494,387	4,192,060
61-180 days	4.44%	147,286,696	6,543,271
181-365 days	5.00%	53,298,184	2,664,909
More than 365 days	12.35%	233,910,394	28,898,456
		1,366,989,661	**42,298,696**
As at 31 December 2023			
Not past due	0.24%	1,297,844,747	3,050,005
61-180 days	4.30%	22,906,834	985,819
181-365 days	5.00%	6,202,171	310,109
More than 365 days	16.62%	159,426,390	26,489,484
		1,486,380,142	**30,835,416**

The following table provides information about the Company's exposure to credit risk and ECLs for non-interest bearing trade receivables, contract assets and retention receivable from contract for government customers segment as at 31 December 2024.

	Company		
	Weighted average loss rate	Gross carrying amount MVR	Loss allowance MVR
As at 31 December 2024			
Not past due	0.45%	932,523,649	4,192,060
61-180 days	4.44%	147,286,696	6,543,271
181-365 days	5.00%	53,298,184	2,664,909
More than 365 days	12.35%	233,910,394	28,898,456
		1,367,018,923	**42,298,696**
As at 31 December 2023			
Not past due	0.24%	1,297,851,740	3,050,005
61-180 days	4.30%	22,906,834	985,819
181-365 days	5.00%	6,202,171	310,109
More than 365 days	16.62%	159,426,390	26,489,484
		1,486,387,135	**30,835,416**

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

Interest bearing trade receivables under Tawmil Taksit credit scheme

The Company uses "three stage model" to measure the ECL of interest bearing receivables under tawmil taksit credit schemes (Shariah compliant) which is based on change in credit quality since initial recognition as summarised below:

• A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.

• If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to note (a) for a description of how the Company determines when a significant increase in credit risk has occurred.

• A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note (d) includes an explanation of how the Company has incorporated this in its ECL models.

Change in credit quality since initial recognition		
Stage 1	**Stage 2**	**Stage 3**
(Initial recognition)	(Significant increase in credit risk since the initial recognition)	(credit impaired assets)
12 months expected credit	Lifetime expected credit losses	Lifetime expected credit losses

The key judgements and assumptions adopted by the Company in addressing the requirements of the standard are discussed below:

(a) Significant increase in credit risk

The Company considers loans and receivables have experienced significant increase in credit risk when the arrears are past due for more than 30 days.

(b) Definition of default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired when the borrower is more than 90 days past due states on its contractual payments.

The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) throughout the Company's expected loss calculations.

(c) Measuring the ECL - Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since the initial recognition on whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 MN PD), or over the remaining lifetime (Life time PD) of the obligation. PIT PD (Point-in-time Probability of Default) is calculated using duration or hazard rate approach (Makov chain approach) and TTC PD (Through-the-Cycle Probability of Default) is derived from average empirical matrix from 2019 to 2024.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

LGDs are determined based on the factors which impact the recoveries made post default. LGD is computed based on the projected collateral values, historical discounts to market / book values to forced sales, time to repossession and recovery cost observed. When arriving the present value of cash flows after default, the Company applies 50% to the market value of the collateral to estimate force sale values for the facilities in arrears. Force sales values are then deducted from EAD to arrive LGD.

The ECL is determined by projecting the PD, LGD and EAD for each future year and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation there of.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the facilities. The maturity profile is based on historical observed data and is assumed to be the same across all assets. This is supported by historical analysis.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. Refer note 3 (iii) (d) for an explanation of forward-looking information and its inclusion in ECL calculations.

(d) Forward looking information incorporated in ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. In an attempt to identify key economic variables affecting credit risk and expected credit losses, the Company came to the understanding that most of the macro economic variables did not indicate a clear representation, as the statistical hypothesis behind the estimates could not be tested. Accordingly, the Company found it feasible and chose the approach of 'Expert Judgment' to derive the forward-looking information to apply on 12 month PD.

The Company has considered forecasted GDP growth rates to determine the weightages along with weightages for each stage. Forecasted GDP growth rates obtained from the report available in the IMF website “world economic outlook database.

Forecasted GDP growth rates

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

	2025	**2026**	**2027**	**2028**	**2029**
GDP growth	4.70%	4.80%	4.50%	4.50%	4.50%

Economic variable assumptions used by the Company are as follows:

Stages	Forward looking adjustment factor
Stage 1	120%
Stage 2	126%

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

However, based on prudent measure, we have considered 100% as the forward looking adjustment so that the historical PD does not reduce.

The scenarios and their attributes are reassessed at each reporting date.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes that the chosen scenarios are appropriately representative of the range of possible scenarios

Sensitivity analysis

Set out below are the changes to the ECL on tawmil taksit credit scheme as at 31 December 2024 that would result from reasonably possible changes in the parameter from the actual assumption used in Company's economic variable assumption.

		GDP	
	+1%	No change	-1%
	MVR	MVR	MVR
Loss allowance as at 31 December 2024	3,657,691	3,658,377	3,659,063
Loss allowance as at 31 December 2023	3,700,363	3,700,392	3,700,420

Impairment losses

	Group		Company	
	2024	2023	2024	2023
	MVR	MVR	MVR	MVR
- Movement in loss allowance for tawmil taksit credit schemes	(42,015)	(422,265)	(42,015)	(422,265)
- Net impairment loss on tawmil taksit credit schemes	**(42,015)**	**(422,265)**	**(42,015)**	**(422,265)**

Loss allowance for tawmil taksit credit schemes

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

-Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;

- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;

-Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;

-Impacts on the measurement of ECL due to changes made to models and assumptions;

-Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;

-Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

The following table explain the changes in the loss allowance between the beginning and end of the annual period due to these factors:

	Stage 1	Stage 2	Stage 3	
Receivables under tawmil taksit credit schemes	**12-month ECL**	**Life time ECL**	**Life time ECL**	**Total**
Loss allowance as at 1 January 2024	-	2,802	3,697,590	3,700,392
New financial assets during the year	13,313	72,438	-	85,751
Financial assets settled during the year	-	(2,802)	(124,964)	(127,766)
Loss allowance at 31 December 2024	13,313	72,438	3,572,626	3,658,377

	Stage 1	Stage 2	Stage 3	
Receivables under tawmil taksit credit schemes	**12-month ECL**	**Life time ECL**	**Life time ECL**	**Total**
Loss allowance as at 1 January 2023	268,604	323,325	3,530,728	4,122,657
Financial assets settled during the year	(10,976)	(12,094)	(605,310)	(628,380)
Loss on existing financial assets	-	-	206,115	206,115
Transfers:				-
Transfer from Stage 1 to Stage 2	(331)	331		
Transfer from Stage 1 to Stage 3	(48,380)	-	48,380	-
Transfer from Stage 2 to Stage 3	-	(188,708)	188,708	-
Other movements	(208,917)	(120,052)	328,969	-
Loss allowance at 31 December 2023	-	2,802	3,697,590	3,700,392

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

The following table further explains changes in the gross carrying amount of the tawmil taksit credit scheme:

	Stage 1	Stage 2	Stage 3	
Receivables under tawmil taksit credit schemes	**12-month ECL**	**Life time ECL**	**Life time ECL**	**Total**
Gross carrying amount as at 1 January 2024	9,427,426	3,605,689	6,728,095	19,761,210
New financial assets originated	10,797,727	7,058,645	-	17,856,372
Payments received from new financial assets during the year	(4,707,604)	(2,134,919)	-	(6,842,523)
Financial assets fully settled during the year	-	-	(4,538,712)	(4,538,712)
Financial assets partly settled during the year	(2,238,914)	(389,013)	(1,962,544)	(4,590,471)
Transfers:				
Transfer from Stage 1 to Stage 3	(3,681,488)	-	3,681,488	-
Transfer from Stage 2 to Stage 3	-	(1,374,968)	1,374,968	-
Other movements	(569,873)	(1,335,990)	1,905,863	-
Gross carrying amount as at 31 December 2024	9,027,273	5,429,443	7,189,158	21,645,875

	Stage 1	Stage 2	Stage 3	
Receivables under tawmil taksit credit schemes	**12-month ECL**	**Life time ECL**	**Life time ECL**	**Total**
Gross carrying amount as at 1 January 2023	27,648,547	1,682,464	5,847,409	35,178,420
New financial assets originated	3,480,596	2,133,716	-	5,614,312
Payments received from new financial assets during the year	(1,054,097)	(840,971)	-	(1,895,068)
Financial assets fully settled during the year	-	-	(7,202,303)	(7,202,303)
Financial assets partly settled during the year	(7,218,307)	(2,094,265)	(2,621,579)	(11,934,151)
Transfers:				
Transfer from Stage 1 to Stage 2	(1,679,129)	1,679,129		-
Transfer from Stage 1 to Stage 3	(8,648,294)	-	8,648,294	-
Transfer from Stage 2 to Stage 3	-	(492,774)	492,774	-
Other movements	(3,101,890)	1,538,390	1,563,500	-
Gross carrying amount as at 31 December 2023	9,427,426	3,605,689	6,728,095	19,761,210

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

The closing loss allowances for the tawmil taksit credit schemes. as at 31 December 2024 reconciles to the opening loss allowances as follows:

	2024	2023
Opening loss allowance as at 1 January	3,700,392	4,122,657
Increase / (decrease) in loan loss allowance recognised in profit or loss during the year	(42,015)	(422,265)
At 31 December	**3,658,377**	**3,700,392**

Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

Modification of financial assets

The Company sometimes modifies the terms of repayments provided to customers due to commercial renegotiations with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Company monitors the subsequent performance of modified assets. Company may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). There were no modifications during the year.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of MVR 25,005,399 and MVR 24,490,417 respectively at 31 December 2024 (2023 : MVR 52,840,523 and MVR 52,324,470).

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the Group does not have a significant impact on impairment allowance on cash and cash equivalents as at 31 December 2024 and 2023 respectively.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

3.2 Liquidity risk

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

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments.

The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables). The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

In addition, the group maintains MVR 30,840,000 overdraft facility that is secured.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

Group 31 December 2024	Carrying amount	Contractual cash flows Less than 12 months	1- 5 years	More than 5 years
Non- derivative financial liabilities				
Bank overdrafts	17,062,421	17,062,421	-	-
Borrowings	445,997,659	286,461,029	200,134,378	8,715,438
Shareholder's loan	184,802,118	138,321,084	43,352,778	10,168,867
Trade and other payables	2,122,598,672	2,109,242,836	18,857,456	1,256,076
Lease liabilities	89,120,672	17,778,166	64,459,571	194,991,236
	2,859,581,542	2,568,865,536	326,804,183	215,131,617

Group 31 December 2023	Carrying amount	Contractual cash flows Less than 12 months	1- 5 years	More than 5 years
Non- derivative financial liabilities				
Bank overdrafts	29,272,836	29,272,836	-	-
Borrowings	578,079,898	296,143,168	371,915,664	-
Shareholder's loan	184,802,118	136,894,150	49,282,968	-
Trade and other payables	2,359,961,861	2,313,805,800	53,337,206	3,768,229
Lease liabilities	108,682,543	32,816,797	71,336,853	204,644,720
	3,260,799,256	2,808,932,751	545,872,691	208,412,949

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

Company 31 December 2024	Carrying amount	Contractual cash flows Less than 12 months	1- 5 years	More than 5 years
Non- derivative financial liabilities				
Bank overdrafts	17,062,421	17,062,421	-	-
Borrowings	445,997,659	286,461,029	200,134,378	8,715,438
Shareholder's loan	184,802,118	138,321,084	43,352,778	10,168,867
Trade and other payables	2,122,580,959	2,109,225,123	18,857,456	1,256,076
Lease liabilities	89,120,672	17,778,166	64,459,571	194,991,236
	2,859,563,829	2,568,847,823	326,804,183	215,131,617

Company 31 December 2023	Carrying amount	Contractual cash flows Less than 12 months	1- 5 years	More than 5 years
Non- derivative financial liabilities				
Bank overdrafts	29,272,836	29,272,836	-	-
Borrowings	578,079,898	296,143,168	371,915,664	-
Shareholder's loan	184,802,118	136,894,150	49,282,968	-
Trade and other payables	2,359,940,425	2,313,784,364	53,337,206	3,768,229
Lease liabilities	108,682,543	32,816,797	71,336,853	204,644,720
	3,260,777,820	2,808,911,315	545,872,691	208,412,949

As disclosed in Notes to the financial statements, the Group has a secured bank loan that contains a loan covenant. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. The covenants are monitored on a regular basis and regularly reported to management to ensure compliance with the agreements.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2024	2023
Expiring within one year (bank overdraft and TRDL facility)	33,654,682	48,337,163
Expiring beyond one year (bank loans)	50,000,000	5,143,187
	83,654,682	53,480,349

The bank overdraft facilities and TRDL facilities may be drawn at any time until the expiry of the facility. The bank loan facilities may be drawn at any time in MVR and have maturity of 5 years.

3.3 Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates and equity prices - will affect the Group'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.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

3.3.1 Currency risk

Exposure to currency risk

The summary quantitative data about the Group's/Company's exposure to currency risk as reported to the management of the Group/Company is as follows.

Group/Company	2024		2023	
	EUR	USD	EUR	USD
Trade receivables	-	8,750,080	-	7,457,425
Trade payables	-	(13,216,958)	-	(22,812,308)
Cash and cash equivalents	-	(110,519)	-	(1,315,305)
Borrowings	(282,576)	(16,599,872)	(1,200,464)	(23,854,059)
Net Statement of financial position exposure	(282,576)	(21,177,269)	(1,200,464)	(40,524,247)

The following significant exchange rates have been applied.

	Average rate		Spot rate	
	2024	2023	2024	2023
USD 1 : MVR	15.4200	15.4200	15.4200	15.4200
EUR 1 : MVR	16.6716	16.8375	16.1840	17.1592

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Euro, US dollar against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Group/Company	Change in USD rate	Effect on profit before tax	Effect on pre-tax on equity
2023	- 5 %	31,244,194	31,244,194
	+ 5 %	(31,244,194)	(31,244,194)
2024	- 5 %	16,327,674	16,327,674
	+ 5 %	(16,327,674)	(16,327,674)

Group/Company	Change in EUR rate	Effect on profit before tax	Effect on pre-tax on equity
2023	- 5 %	1,029,950	1,029,950
	+ 5 %	(1,029,950)	(1,029,950)
2024	- 5 %	228,660	228,660
	+ 5 %	(228,660)	(228,660)

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

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

3.3 Market risk (continued)

3.3.2 Exposure to interest rate risk

The interest rate profile of the Group's/Company's interest-bearing financial instruments as reported to the management of the Group/Company is as follows.

	Nominal amounts	
Fixed-rate instruments	**2024**	**2023**
Financial assets (Note 11)	**21,645,875**	**19,761,210**
Financial liabilities (Note 15)	**387,484,442**	**470,382,210**
Variable-rate instruments		
Financial liabilities (Note 15)	**75,575,638**	**136,970,524**

Fair value sensitivity analysis for fixed-rate instruments

The Group/Company does not account for any fixed-rate financial assets or financial liabilities at FVTPL. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

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

	Increase/decrease in basis points	Effect on profit before tax
Variable- rate instruments		
2024	-100	1,215,789
	+100	(1,215,789)
Variable- rate instruments		
2023	-100	1,464,587
	+100	(1,464,587)

The exposure of the group's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

	2024	% of total loans	2023	% of total loans
Variable rate borrowings	75,575,638	16.32%	136,970,524	22.55%
Fixed rate borrowings				
Less than 1 year	246,473,684	53.23%	237,708,765	39.14%
1 - 5 years	141,010,758	30.45%	232,673,445	38.31%
	463,060,080	100.00%	607,352,734	100.00%

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Financial statements - 31 December 2024

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

3.3 Market risk (continued)

3.3.2 Exposure to interest rate risk (continued)

Other market price risk

The Group/Company is exposed to equity price risk , which arises from equity securities at FVOCI. The management of the Group/Company monitors the proportion of equity securities in its investment portfolio based on market indices.

The primary goal of the Group's investment strategy is to maximize investment returns.

Sensitivity analysis - Equity price risk

All of the Group's/Company's equity investments are listed on Maldives Stock Exchange. For such investments classified at FVOCI, a 2% increase/decrease in the price at the reporting date would have increased/decreased equity by MVR 3,111,163 after tax (2023: an increase/decrease of MVR 3,505,536 after tax).

3.4 Capital management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends payable to shareholders, issue new shares or sell assets to reduce debt. Dividends payable details provided in (Note 25).

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total external borrowings including lease liability and excluding trade and other payables, as shown in the statement of financial position less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

The gearing ratios as at 31 December 2024 and as at 31 December 2023 were as follows:

	Group		Company	
	2024	2023	2024	2023
Net debt	552,180,752	716,035,277	552,180,752	716,035,277
Less: cash and cash equivalents	(25,005,399)	(52,840,523)	(24,490,417)	(52,324,470)
Net debt	527,175,353	663,194,754	527,690,335	663,710,807
Total equity	1,745,011,496	1,766,286,924	1,746,719,568	1,768,353,899
Total capital	2,272,186,849	2,429,481,678	2,274,409,903	2,432,064,706
Gearing ratio	23%	27%	23%	27%

The reason for decrease in gearing ratio is mainly due to decrease in net debt during the year compared to previous year.

3.4.1 Loan covenants

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:
- Maintain a tangible net worth of USD 23,000,000
- Maintain a total liabilities to tangible net worth ratio of no more than 4.0:1.0

The group has complied with these covenants through out the reporting period. As at 31 December 2024, tangible net worth was USD 121,586,837 (2023: USD 130,338,211) and maintained a total liabilities to tangible net worth ratio of 1.97:1.0 (2023: 1.96:1.0)

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Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3.5 Accounting classifications and fair values

Group

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 does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 December 2024		Carrying amount				Fair value			
		FVOCI equity instruments	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity securities	9	155,558,160	-	-	**155,558,160**	155,558,160	-	-	**155,558,160**
		155,558,160	-	-	**155,558,160**	**155,558,160**	-	-	**155,558,160**
Financial assets not measured at fair value									
Trade and other receivables*	11	-	2,425,282,623	-	**2,425,282,623**	-	-	-	-
Cash and cash equivalents	13	-	25,005,399	-	**25,005,399**	-	-	-	-
		-	**2,450,288,022**	-	**2,450,288,022**	-	-	-	-
Financial liabilities not measured at fair value									
Borrowings	15	-	-	445,997,659	**445,997,659**	-	-	-	-
Shareholder's loan	16	-	-	184,802,118	**184,802,118**	-	-	-	-
Trade and other payables*	17	-	-	2,122,598,672	**2,122,598,672**	-	-	-	-
Bank overdrafts	15	-	-	17,062,421	**17,062,421**	-	-	-	-
Lease liabilities	6.2	-	-	89,120,672	**89,120,672**	-	-	-	-
		-	-	**2,859,581,542**	**2,859,581,542**	-	-	-	-

*Other receivables and other payables that are not financial assets and liabilities are not included.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3.5 Accounting classifications and fair values

As at 31 December 2023		Carrying amount				Fair value			
		FVOCI equity instruments	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity securities	9	175,276,800	-	-	**175,276,800**	175,276,800	-	-	**175,276,800**
		175,276,800	**-**	**-**	**175,276,800**	**175,276,800**	**-**	**-**	**175,276,800**
Financial assets not measured at fair value									
Trade and other receivables*	11	-	1,773,694,576	-	**1,773,694,576**	-	-	-	-
Cash and cash equivalents	13	-	52,840,523	-	**52,840,523**	-	-	-	-
		-	**1,826,535,099**	**-**	**1,826,535,099**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value									
Borrowings	15	-	-	578,079,898	**578,079,898**	-	-	-	-
Shareholder's loan	16	-	-	184,802,118	**184,802,118**	-	-	-	-
Trade and other payables*	17	-	-	2,359,961,861	**2,359,961,861**	-	-	-	-
Bank overdrafts	15	-	-	29,272,836	**29,272,836**	-	-	-	-
Lease liabilities	6.2	-	-	108,682,543	**108,682,543**	-	-	-	-
		-	**-**	**3,260,799,256**	**3,260,799,256**	**-**	**-**	**-**	**-**

*Other receivables and other payables that are not financial assets and liabilities are not included

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Equity securities are measured at fair value at Level 1 and measured using the last traded value from the Maldives Stock Exchange as at the reporting date.

Assessing the significance of a particular input requires judgment, considering factors specific to the asset or liability.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3.5 Accounting classifications and fair values (continued)

Company

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 does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 December 2024		Carrying amount				Fair value			
		FVOCI equity instruments	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity securities	9	155,558,160	-	-	**155,558,160**	155,558,160	-	-	**155,558,160**
		155,558,160	**-**	**-**	**155,558,160**	**155,558,160**	**-**	**-**	**155,558,160**
Financial assets not measured at fair value									
Trade and other receivables*	11	-	2,425,311,885	-	**2,425,311,885**	-	-	-	-
Cash and cash equivalents	13	-	24,490,417	-	**24,490,417**	-	-	-	-
		-	**2,449,802,302**	**-**	**2,449,802,302**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value									
Borrowings	15	-	-	445,997,659	**445,997,659**	-	-	-	-
shareholder's loan	16	-	-	184,802,118	**184,802,118**	-	-	-	-
Trade and other payables*	17	-	-	2,122,580,959	**2,122,580,959**	-	-	-	-
Bank overdrafts	15	-	-	17,062,421	**17,062,421**	-	-	-	-
Lease liabilities	6.2	-	-	89,120,672	**89,120,672**	-	-	-	-
		-	**-**	**2,859,563,829**	**2,859,563,829**	**-**	**-**	**-**	**-**

*Other receivables and other payables that are not financial assets and liabilities are not included.

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3.5 Accounting classifications and fair values (continued)

As at 31 December 2023

		Carrying amount				Fair value			
		FVOCI equity instruments	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity securities	9	175,276,800	-	-	**175,276,800**	175,276,800	-	-	**175,276,800**
		175,276,800	**-**	**-**	**175,276,800**	**175,276,800**	**-**	**-**	**175,276,800**
Financial assets not measured at fair value									
Trade and other receivables*	11	-	1,773,701,569	-	**1,773,701,569**	-	-	-	-
Cash and cash equivalents	13	-	52,324,470	-	**52,324,470**	-	-	-	-
		-	**1,826,026,039**	**-**	**1,826,026,039**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value									
Borrowings	15	-	-	578,079,898	**578,079,898**	-	-	-	-
Shareholder's loan	16	-	-	184,802,118	**184,802,118**	-	-	-	-
Trade and other payables*	17	-	-	2,359,940,425	**2,359,940,425**	-	-	-	-
Bank overdrafts	15	-	-	29,272,836	**29,272,836**	-	-	-	-
Lease liabilities	6.2	-	-	108,682,543	**108,682,543**	-	-	-	-
		-	**-**	**3,260,777,820**	**3,260,777,820**	**-**	**-**	**-**	**-**

*Other receivables and other payables that are not financial assets and liabilities are not included

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Equity securities are measured at fair value at Level 1 and measured using the last traded value from the Maldives Stock Exchange as at the reporting date.

Assessing the significance of a particular input requires judgment, considering factors specific to the asset or liability.

Notes to the financial statements (continued)

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4 Critical estimates and judgements

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

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

Significant estimates and judgements

The areas involving significant estimates or judgements are:

- recognition of revenue relating to construction and dredging and other revenue streams - note 2.12 and 2.23
- impairment of financial assets - note 3.1 (iii)
- estimation uncertainties and judgements made in relation to lease
- estimation of defined benefit pension obligation - note 17
- useful lives of PPE and intangible assets - note 2.5 to 2.7
- fair value measurement of financial assets - note 2.10

5 Revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major business segments.

Group / Company	Trading	Construction and Dredging	Transport	Others	Total
31-Dec-24					
Revenue	**266,848,174**	**1,721,109,188**	**148,846,916**	**19,974,038**	**2,156,778,316**
Timing of revenue recognition					
- At a point in time	266,848,174	4,738,566	148,846,916	19,974,038	440,407,694
- over time	-	1,716,370,622	-	-	1,716,370,622
	266,848,174	**1,721,109,188**	**148,846,916**	**19,974,038**	**2,156,778,316**
31-Dec-23					
Revenue	**283,767,914**	**2,752,150,822**	**145,070,311**	**20,662,218**	**3,201,651,265**
Timing of revenue recognition					
- At a point in time	283,767,914	4,082,531	145,070,311	20,662,218	453,582,974
- over time	-	2,748,068,291	-	-	2,748,068,291
	283,767,914	**2,752,150,822**	**145,070,311**	**20,662,218**	**3,201,651,265**

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Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

6 Property, plant and equipment - Group / Company

	Land improvements and buildings	Plant and machinery	Motor vehicles	Furniture and office / communication equipment	Vessels	Sundry assets	Capital work-in-progress	Total
At 01 January 2023								
Cost	157,798,565	1,966,288,917	221,819,261	63,247,161	367,009,832	53,229,356	62,736,776	2,892,129,868
Accumulated depreciation	(107,842,502)	(882,975,892)	(60,105,129)	(42,467,187)	(204,347,987)	(36,185,851)	-	(1,333,924,548)
Provision for impairment	-	-	-	-	-	-	(3,315,945)	(3,315,945)
Net book amount	49,956,063	1,083,313,025	161,714,132	20,779,974	162,661,845	17,043,505	59,420,831	1,554,889,375
Year ended 31 December 2023								
Opening net book amount	49,956,063	1,083,313,025	161,714,132	20,779,974	162,661,845	17,043,505	59,420,831	1,554,889,375
Additions	-	194,218,019	832,843	8,074,579	114,740,371	9,497,493	190,716,303	518,079,608
Transferred from capital work in progress	1,679,285	24,857,889	601,702	-	13,049,992	4,622,345	(44,811,213)	-
Transferred to intangible assets (Note 07)	-	-	-	-	-	-	(1,385,487)	(1,385,487)
Disposals - Cost	-	(21,603,512)	-	(31,342)	(49,330,419)	(5,401)	-	(70,970,674)
Disposals - Accumulated depreciation	-	21,603,512	-	31,342	29,241,462	5,401	-	50,881,717
Impairment (Note 19)	-	-	-	-	(5,880,131)	-	-	(5,880,131)
Depreciation charge (Note 19)	(9,172,510)	(185,226,154)	(31,958,174)	(13,244,240)	(40,149,453)	(11,318,230)	-	(291,068,761)
Closing net book amount	42,462,838	1,117,162,779	131,190,503	15,610,313	224,333,667	19,845,113	203,940,434	1,754,545,647
At 31 December 2023								
Cost	159,477,850	2,163,761,313	223,253,806	71,290,398	445,469,776	67,343,793	207,256,379	3,337,853,315
Accumulated depreciation	(117,015,012)	(1,046,598,534)	(92,063,303)	(55,680,085)	(215,255,978)	(47,498,680)	-	(1,574,111,592)
Provision for impairment	-	-	-	-	(5,880,131)	-	(3,315,945)	(9,196,076)
Net book amount	42,462,838	1,117,162,779	131,190,503	15,610,313	224,333,667	19,845,113	203,940,434	1,754,545,647
Cost of fully depreciated assets	15,086,648	467,024,541	29,690,618	33,461,180	75,991,227	32,160,045	-	653,414,259
Year ended 31 December 2024								
Opening net book amount	42,462,838	1,117,162,779	131,190,503	15,610,313	224,333,667	19,845,113	203,940,434	1,754,545,647
Additions	-	72,347,035	-	8,242,890	14,425,486	1,468,349	65,053,081	161,536,841
Transferred from capital work in progress	3,729,832	137,353,413	-	-	21,344,387	-	(162,427,632)	-
Transferred to investment property (Note 6.1)	-	-	-	-	-	-	(7,077,559)	(7,077,559)
Disposals - Cost	-	(7,256,650)	-	(879,971)	-	(492,222)	-	(8,628,843)
Disposals - Accumulated depreciation	-	7,256,650	-	872,122	-	492,222	-	8,620,994
Depreciation charge (Note 19)	(10,325,476)	(242,849,775)	(30,383,515)	(11,487,389)	(40,506,821)	(11,121,602)	-	(346,674,578)
Closing net book value	35,867,194	1,084,013,452	100,806,988	12,357,965	219,596,719	10,191,860	99,488,324	1,562,322,502
At 31 December 2024								
Cost	163,207,682	2,366,205,111	223,253,806	78,653,317	481,239,649	68,319,920	102,804,269	3,483,683,754
Accumulated depreciation	(127,340,488)	(1,282,191,659)	(122,446,818)	(66,295,352)	(255,762,799)	(58,128,060)	-	(1,912,165,176)
Provision for impairment	-	-	-	-	(5,880,131)	-	(3,315,945)	(9,196,076)
Net book amount	35,867,194	1,084,013,452	100,806,988	12,357,965	219,596,719	10,191,860	99,488,324	1,562,322,502
Cost of fully depreciated assets	15,086,648	487,741,435	31,094,346	50,831,836	76,850,099	42,032,834	-	703,637,198

MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

Financial statements - 31 December 2024

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

6 Property, plant and equipment (continued)

(a) The buildings have been constructed on the land that belongs to the Government of Maldives, for which a rental of MVR 5,034,921 (2023: MVR 5,701,756) is expensed per annum.

(b) Capital work in progress includes construction of ferries and buildings.

(c) Depreciation expense of the Company included in cost of goods sold amounting to MVR 327,172,665 (2023: MVR 271,364,134) and administrative expenses amounting to MVR 19,501,913 (2023: MVR 19,704,627).

(d) Demand loans, bank overdraft, LC facilities and bank guarantees from the banks and other financial institutions are secured over MTCC Tower, MTCC Building land, Rentals Plaza, barges (Dhosha, kurimagu 8 and 10), tug boats (Tango 6, 7, 8 and 575), steel landing craft (Leema 1 and 2), dredgers (Mahaa Jarrafu, Jarraafa 4 and Jarrafa 3), buses and machineries (excavators, wheel loaders, dump trucks and bulldozers, cranes, crane lorrys, mixer trucks) amounting to MVR 1,404,646,507. Mortgaged values are provided in Note 15.

(e) Cost of fully depreciated assets are the assets that are fully depreciated but still in use. These assets remain in service and continue to contribute to operations, although they no longer carry a book value for depreciation purpose.

6.1 Investment properties

Non-current assets - at cost	Group 2024	Group 2023	Company 2024	Company 2023
Cost				
Opening balance	23,078,123	23,078,123	26,863,324	26,863,324
Additions	7,077,559	-	7,077,559	-
Closing balance	**30,155,682**	**23,078,123**	**33,940,883**	**26,863,324**
Depreciation				
Opening balance	9,906,866	7,599,054	11,484,033	8,797,701
Depreciation for the year	3,487,405	2,307,812	3,865,925	2,686,332
Closing balance	**13,394,271**	**9,906,866**	**15,349,958**	**11,484,033**
Net book value	**16,761,411**	**13,171,257**	**18,590,925**	**15,379,291**

Investment properties are accounted for in accordance with the cost model as set out in IAS 16 Property, Plant and Equipment – cost less accumulated depreciation and less accumulated impairment losses.

(i) Amounts recognised in profit or loss for investment properties

	Group 2024	Group 2023	Company 2024	Company 2023
Rental income from operating leases	18,447,909	10,866,089	18,447,909	10,866,089

(ii) Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals receivable monthly. Where considered necessary to reduce credit risk, the group may obtain bank guarantees for the term of the lease.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

6 Property, plant and equipment (continued)

6.1 Investment properties (continued)

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

	Group		Company	
	2024	2023	2024	2023
Within 1 year	23,122,648	18,447,909	23,122,648	18,447,909
Between 1 to 2 years	24,320,000	21,232,648	24,320,000	21,232,648
Between 2 to 3 years	25,369,000	21,260,000	25,369,000	21,260,000
	72,811,648	**60,940,557**	**72,811,648**	**60,940,557**

The fair value of the investment properties as of 31 December 2024 in accordance with the valuation made by the directors of the Company amounting to MVR 249,680,532 (2023: MVR 236,308,491). The valuation was performed based on the discounted rental income from the properties, which is level 3 input.

6.2 Leases

This note provides information for leases where the group is a lessee.

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	Group		Company	
Right-of-use assets	**31-Dec-24**	**31-Dec-23**	**31-Dec-24**	**31-Dec-23**
Lands	63,021,654	66,470,584	63,021,654	66,470,584
Building	8,278,842	10,255,096	8,278,842	10,255,096
Houses	-	35,702	-	35,702
Vessels	2,929,662	17,452,309	2,929,662	17,452,309
	74,230,158	**94,213,691**	**74,230,158**	**94,213,691**

	Group		Company	
	31-Dec-24	**31-Dec-23**	**31-Dec-24**	**31-Dec-23**
Opening balance	94,213,691	98,532,252	94,213,691	98,532,252
Add: new lease assets	1,638,742	26,354,626	1,638,742	26,354,626
Less: Lease derecognition	-	-	-	-
Depreciation charge of ROU (Note 19)	(21,622,275)	(30,673,187)	(21,622,275)	(30,673,187)
Closing balance	**74,230,158**	**94,213,691**	**74,230,158**	**94,213,691**

	Group		Company	
Lease liabilities	**31-Dec-24**	**31-Dec-23**	**31-Dec-24**	**31-Dec-23**
Current	7,543,933	20,651,689	7,543,933	20,651,689
Non-current	81,576,739	88,030,854	81,576,739	88,030,854
	89,120,672	**108,682,543**	**89,120,672**	**108,682,543**

Movement in the lease liability during the year as follows:

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

6 Property, plant and equipment (continued)

6.2 Leases (continued)

	Group		Company	
	31-Dec-24	**31-Dec-23**	**31-Dec-24**	**31-Dec-23**
Opening balance	108,682,543	108,585,837	108,682,543	108,585,837
Add: New lease liabilities recognised	1,638,742	26,354,626	1,638,742	26,354,626
Add: Accrued interest (Note 21)	12,328,983	14,661,796	12,328,983	14,661,796
Less: Interest paid	(12,328,983)	(14,661,796)	(12,328,983)	(14,661,796)
Less: Principal elements of leases paid	(21,200,614)	(26,257,920)	(21,200,614)	(26,257,920)
Closing balance	**89,120,671**	**108,682,543**	**89,120,671**	**108,682,543**

(ii) Amounts recognised in the statement of profit or loss

Depreciation charge of right-of-use assets (Note 19)

	Group 31-Dec-24	Group 31-Dec-23	Company 31-Dec-24	Company 31-Dec-23
Lands	(4,491,767)	(4,404,456)	(4,491,767)	(4,404,456)
Building	(1,976,253)	(2,243,322)	(1,976,253)	(2,243,322)
Houses	(35,702)	(355,545)	(35,702)	(355,545)
Vessels	(15,118,553)	(23,669,864)	(15,118,553)	(23,669,864)
	(21,622,275)	**(30,673,187)**	**(21,622,275)**	**(30,673,187)**

Expense relating to short-term leases of the group included in cost of goods sold amounting to MVR 105,633,756 (2023: MVR 373,015,557) and administrative expenses amounting to MVR 12,653,899 (2023: MVR 15,476,525).

	Group 31-Dec-24	Group 31-Dec-23	Company 31-Dec-24	Company 31-Dec-23
Interest expense included in finance costs (Note 21)	(12,328,983)	(14,661,796)	(12,328,983)	(14,661,796)
	(12,328,983)	**(14,661,796)**	**(12,328,983)**	**(14,661,796)**

The total cash outflow for leases in 2024 was MVR 33,529,597 (2023: MVR 40,919,717) and there were no prepaid leases related to 2024 (2023: MVR 49,294).

7 Intangible assets

	Group		Company	
At 01 January	**2024**	**2023**	**2024**	**2023**
Opening net book amount	20,625,236	23,631,693	20,625,236	23,631,693
Additions	-	268,991	-	268,991
Transferred from capital work in progress	-	1,385,487	-	1,385,487
Amortization charge (Note 19)	(3,995,755)	(4,660,935)	(3,995,755)	(4,660,935)
Closing net book amount	16,629,481	20,625,236	16,629,481	20,625,236
Cost	38,498,696	38,498,696	38,493,904	38,493,904
Amortization charge	(21,869,215)	(17,873,460)	(21,864,423)	(17,868,668)
Net book amount	16,629,481	20,625,236	16,629,481	20,625,236

Intangible assets include Enterprise Resource Plan (ERP) software with a carrying value of MVR 13,163,927 with a remaining amotisation period of 5 years.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

8 Investment in subsidiary and associate

8.1 Investment in subsidiary

	Group		Company	
	2024	2023	2024	2023
Maldives Real Estate Investment Corporation Private Limited (MREIC)	-	-	346,565	346,565
Cost	-	-	7,102,500	7,102,500
Provision for impairment			(6,755,935)	(6,755,935)
Closing balance	**-**	**-**	**346,565**	**346,565**

The Company is engaged in the business of development and management of housing units and providing all kinds of repair and maintenance services. MREIC is a fully owned subsidiary of the Company. The Company will proceed with its operations following the formulation of a new business plan.

Management has determined the recoverable amount from investment in the subsidiary by assessing the fair value less cost of disposal of the underlying assets. The valuation is considered to level 3 in the fair value hierarchy due to unobservable input used in the valuation. No impairment made during the year over the investments considering the decision to continue the operation with a new business plan. The impairment loss is included in other operating expenses in the statement of profit or loss of the Company, which does not impact the group's profit

8.2 Investment in associate

	Group		Company	
	2024	2023	2024	2023
Cost	21,275,500	21,275,500	21,275,500	21,275,500
Provision for impairement	(21,275,500)	(21,275,500)	(21,275,500)	(21,275,500)
Closing balance	-	-	-	-

During the financial year ended 31 December 2024, the Group's associate company ("Airport Investments Maldives PVT LTD") in which it held a 33.33% equity interest, was liquidated. The Group had previously recognized the full impairment loss on its investment in the associate in prior reporting periods, resulting in a carrying amount of nil as at 1 January 2024.

The liquidation process of the associate company was completed on 5th June 2024, and as a result, the investment was derecognized from the Group's financial statements. The proceeds from the liquidation, amounting to MVR 520,272, is included in other incomes in the statement of profit or loss of the Company.

On 3 January 2024, the Board of Directors of the Company approved an investment in 20% of the share capital of Maldives Industrial Development Free Zone Plc (MIDFZ), which would qualify the entity as an associate of the Group, given the significant influence held.
However, as at 31 December 2024, the Group had not yet made any financial investment in MIDFZ. Accordingly, no interest in the associate has been recognized in the consolidated financial statements for the year ended 31 December 2024.

9 Financial assets at fair value through other comprehensive income

	Group		Company	
	2024	2023	2024	2023
Shares in Bank of Maldives Plc	155,558,160	175,276,800	155,558,160	175,276,800
At the end of the year	155,558,160	175,276,800	155,558,160	175,276,800

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

9 Financial assets at fair value through other comprehensive income (continued)

Equity investments at Fair Value through Other Comprehensive Income (FVOCI), comprising principally marketable equity securities, are measured at fair value annually at the close of business on 31 December. For investments traded in active markets, fair value is determined by reference to the Maldives Stock Exchange quoted bid prices at Level 1 hierarchy.

Movement of the equity investments is as follows;

As at 31 December 2024	**Opening balance**	**Movement during the year**	**Closing balance**
Number of shares	219,096	-	219,096
Cost	2,389,302	-	2,389,302
Fair value	175,276,800	(19,718,640)	155,558,160
As at 31 December 2023			
Number of shares	219,096	-	219,096
Cost	2,389,302	-	2,389,302
Fair value	169,799,400	5,477,400	175,276,800

10 Deferred tax asset

	Group		Company	
	2024	2023	2024	2023
Balance as at 1 January	87,228,144	72,266,110	87,228,144	72,266,110
Amounts recognized in profit and loss	24,652,573	16,804,649	24,652,573	16,804,649
Amounts recognized in OCI				
- Financial assets at FVOCI	2,957,796	(821,610)	2,957,796	(821,610)
- Effect on employee retirement benefit	(1,154,069)	(1,021,005)	(1,154,069)	(1,021,005)
Balance as at 31 December	113,684,444	87,228,144	113,684,444	87,228,144

Deferred tax asset as at 31 December 2024

	Group		Company	
	Temporary difference	Tax effect	Temporary difference	Tax effect
Property, plant and equipment	678,803,516	101,820,527	678,803,516	101,820,527
Provisions and impairments	192,070,517	28,810,578	192,070,517	28,810,578
Financial assets at FVOCI	(153,168,858)	(22,975,329)	(153,168,858)	(22,975,329)
Employee retirement benefit	40,191,119	6,028,668	40,191,119	6,028,668
	757,896,294	113,684,444	757,896,294	113,684,444

Deferred tax asset as at 31 December 2023

	Group		Company	
	Temporary difference	Tax effect	Temporary difference	Tax effect
Property, plant and equipment	564,154,772	84,623,216	564,154,772	84,623,216
Provisions and impairments	154,771,646	23,215,747	154,771,646	23,215,747
Financial assets at FVOCI	(172,887,498)	(25,933,125)	(172,887,498)	(25,933,125)
Employee retirement benefit	35,482,037	5,322,306	35,482,037	5,322,306
	581,520,957	87,228,144	581,520,957	87,228,144

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

11 Contract assets, trade and other receivables

	Group		Company	
Financial assets	**2024**	**2023**	**2024**	**2023**
Trade receivables	208,733,313	183,790,747	205,048,315	180,105,749
Retention receivable from contracts	22,691,960	6,406,578	22,691,960	6,406,578
Less: provision for impairment of trade receivables	(30,548,495)	(29,047,743)	(26,863,497)	(25,362,745)
Trade receivables and retention receivable from contracts	200,876,778	161,149,582	200,876,778	161,149,582
Deposits	15,402,884	30,489,210	15,402,884	30,489,210
Other receivables	987,142,065	448,472,039	987,142,065	448,472,039
Receivables from related parties [Note28 (ii)]	1,263,708,296	1,163,662,753	1,263,737,558	1,163,669,746
Less: provision for impairment of related party receivables	(41,847,400)	(30,079,008)	(41,847,400)	(30,079,008)
Balance C/F	2,425,282,623	1,773,694,576	2,425,311,885	1,773,701,569
Non-financial assets				
Other receivables	48,060,458	52,560,589	48,060,458	52,560,589
Contract assets	244,657,772	595,386,076	244,657,772	595,386,076
Prepayments	123,337,113	179,518,819	123,337,113	179,518,819
Less : Provision for impairment of contract assets	(531,083)	(963,429)	(531,083)	(963,429)
Less : Provision for impairment of other receivables	(39,107,360)	(35,959,897)	(39,107,360)	(35,959,897)
	376,416,900	790,542,158	376,416,900	790,542,158
	2,801,699,523	2,564,236,734	2,801,728,785	2,564,243,727
Classified as:				
Trade and other receivables				
- Non-current	6,449,166	3,245,066	6,449,166	3,245,066
- Current	2,550,592,585	1,965,605,592	2,550,621,847	1,965,612,585
Contract assets	244,657,772	595,386,076	244,657,772	595,386,076
	2,801,699,523	2,564,236,734	2,801,728,785	2,564,243,727

Group's prepayments and deposits mainly consist of supplier prepayments of MVR 82,016,456 (2023: MVR 105,181,828), prepaid LC payments of MVR 19,032,017 (2023: MVR 51,825,306), prepaid insurance MVR 17,521,965 (2023: MVR 18,113,698) and refundable deposits of MVR 15,402,884 (2023: MVR 30,489,210).

Group's other receivables mainly consist of subsidy income of MVR 973,862,532 (2023: MVR 430,094,699), LC margin of MVR 4,019,046 (2023: MVR 15,876,256) and other receivables (non-financial assets) consist of input tax of MVR 5,033,363 (2023: MVR 7,555,801), advance paid to suppliers MVR 34,417,484 (2023: MVR 35,567,986) and cash advance of MVR 8,609,655 (2023: MVR 9,493,432).

Notes to the financial statements (continued)

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11 Contract assets, trade and other receivables (continued)

The Group provision for trade and other receivables comprise collective provision for trade receivables amounting to MVR 66,252,543 (2023: MVR 54,457,328), contract assets amounting to MVR 531,083 (2023: MVR 963,428), retention receivables amounting to MVR 2,484,975 (2023: MVR 969,032), provision for tawmil taksit credit scheme amounting to MVR 3,658,377 (2023: MVR 3,700,392) and provision for other receivables and deposits amounting to MVR 39,107,360 (2023: MVR 35,959,897). The provision for other receivable is estimated by the management by assessing creditworthiness and other available information of those parties which the company has transacted. Since the estimated impairment of other receivables are significant unobservable input, the fair value of the other receivables is classified as a level 3 fair value. The impairment loss is included in other operating expenses in the statement of profit or loss of the group. The movement of provision for trade and other receivables are as follows:

The carrying amount of the trade and other receivables approximates its fair value and the movement of provision for trade and other receivables are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
Opening balance	96,050,077	112,193,284	92,365,079	101,101,043
Amounts written-off during the year	-	(25,238,383)	-	(17,831,140)
Provisions (reversed) / made during the year (Note19)	15,984,262	9,095,176	15,984,262	9,095,176
Closing balance	112,034,339	96,050,077	108,349,341	92,365,079

	Group		Company	
	2024	**2023**	**2024**	**2023**
Provision for impairment of trade receivables	26,890,119	25,347,351	23,205,121	21,662,353
Provision for impairment of related party receivables	41,847,400	30,079,008	41,847,400	30,079,008
Provision for impairment of contract assets	531,083	963,429	531,083	963,429
Provision for tawmil taksit credit scheme	3,658,377	3,700,392	3,658,377	3,700,392
Provision for other receivables and deposits	39,107,360	35,959,897	39,107,360	35,959,897
	112,034,339	96,050,077	108,349,341	92,365,079

Trade receivable includes receivables under tawmil taksit credit schemes (Shariah compliant) amounting to MVR 19,330,106 (2023: MVR 18,188,085) net of deferred profit of MVR 2,315,769 (2023: MVR 1,573,125), the movement of the scheme is as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
At the beginning of the year	19,761,210	35,178,420	19,761,210	35,178,420
- Sales made during the year	12,791,526	4,139,777	12,791,526	4,139,777
- Payments received during the year	(10,906,861)	(19,556,987)	(10,906,861)	(19,556,987)
At the end of the year	21,645,875	19,761,210	21,645,875	19,761,210
Less : deferred tawmil taksit profit	(2,315,769)	(1,573,125)	(2,315,769)	(1,573,125)
	19,330,106	18,188,085	19,330,106	18,188,085

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

11 Contract assets, trade and other receivables (continued)

	Group		Company	
Maturity of the tawmil taksit scheme:	2024	2023	2024	2023
Below 1 year	12,880,940	14,943,019	12,880,940	14,943,019
Between 1 to 2 years	6,449,166	3,245,066	6,449,166	3,245,066
	19,330,106	18,188,085	19,330,106	18,188,085

12 Inventories

	Group		Company	
	2024	2023	2024	2023
Work in progress - projects	123,149,358	70,354,846	123,149,358	70,354,846
Materials - contracting department	293,112,384	550,365,488	293,112,384	550,365,488
Lubricants, paints and materials	33,900,872	51,235,630	33,900,872	51,235,630
Engines, generators and spare parts	120,051,918	113,077,919	120,051,918	113,077,919
Consumables	167,350,800	225,613,998	167,350,800	225,613,998
Provision for non moving items	(69,230,950)	(60,243,791)	(69,230,950)	(60,243,791)
	668,334,382	950,404,090	668,334,382	950,404,090

13 Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
Cash in hand	53,443	162,782	45,274	154,613
Cash at bank	24,951,956	52,677,741	24,445,143	52,169,857
Cash at bank and in hand	25,005,399	52,840,523	24,490,417	52,324,470

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2024	2023	2024	2023
Cash and cash equivalents	25,005,399	52,840,523	24,490,417	52,324,470
Bank overdrafts (Note 15)	(17,062,421)	(29,272,836)	(17,062,421)	(29,272,836)
	7,942,978	23,567,687	7,427,996	23,051,634

14 Share capital and reserves

a) Share capital and share premium

	Number of shares	Amount MVR
At 1 January 2023	8,037,749	40,188,745
At 31 December 2023	8,037,749	40,188,745
At 31 December 2024	8,037,749	40,188,745

The total authorized number of ordinary shares are 25,000,000 shares (2023: 25,000,000 shares) with a par value of MVR 5.00 per share (2023: MVR 5.00 per share). All the issued shares are fully paid.

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14 Share capital and reserves (continued)

b) General reserves

General reserves are the retained earnings of a company which are kept aside out of the Company's profits to increase the working capital, to issue bonus shares and to strengthen the financial position of the company.

c) Share premium

Share premium is the amount received by a company over and above the face value of its shares, the Company has issued new rights issue of 3,037,749 ordinary shares at MVR 62 per share with a share premium of MVR 57 per share at the par value of MVR 5 during the financial year ended 31 December 2018.

d) Fair value reserves

Fair value reserves are the net of revaluation gain or loss (except for impairment losses) from FVOCI financial assets, gain or loss from revaluations are recognized under statement of other comprehensive income whether it is due to normal market fluctuations.

15 Borrowings and bank overdrafts

	Group		Company	
Non-current	2024	2023	2024	2023
Bank and other borrowings	187,929,055	331,265,475	187,929,055	331,265,475
Current				
Bank overdrafts (Note 13)	17,062,421	29,272,836	17,062,421	29,272,836
Bank and other borrowings	258,068,604	246,814,423	258,068,604	246,814,423
	275,131,025	276,087,259	275,131,025	276,087,259
Total borrowings	463,060,080	607,352,734	463,060,080	607,352,734

Demand loans, bank overdraft, LC facilities and bank guarantees from the banks and other financial institutions are secured over MTCC Tower (MVR 74,059,210), Rentals Plaza (MVR 198,100,000), MTCC building land (MVR 42,000,000), Sawmill Building Leasehold rights (MVR 12,352,000), barges (Dhosha (22,143,120), kurimagu 8 (MVR 2,245,424) and 10 (MVR 2,287,068)), tug boats (Tango 6 (MVR 8,468,750), 7 (MVR 9,868,800), 8 (MVR 9,654,958) and 575 (MVR 5,535,899)), steel landing craft (Leema 1 (MVR 4,549,753), 2 (MVR 9,115,995)), dredgers (Mahaa Jarrafu (MVR 507,009,279), Bodu Jarraafu (MVR 156,464,717) Jarraafa 4 (MVR 33,537,072) and Jarrafa 3 (19,654,714)) machineries (excavators (MVR 102,526,183), wheel loaders (MVR 4,824,366) bulldozers (MVR 3,890,943), crane (MVR 10,321,783) crane lorry (MVR 3,438,332), Dump Truck (MVR 21,349,494), mixer truck (MVR 4,423,400)) and vehicles ((Bus MVR 108,806,752), Pickup (MVR 5,800,719)), and others (MVR 22,217,776).

Maturity of non-current borrowings:	Group		Company	
	2024	2023	2024	2023
Between 1 to 2 years	152,530,928	261,070,479	152,530,928	261,070,479
Between 3 to 5 years	35,398,127	70,194,996	35,398,127	70,194,996
	187,929,055	331,265,475	187,929,055	331,265,475

The interest rate exposure of the borrowings of the Group / Company is as follows :

- at floating rate	75,575,638	136,970,524	75,575,638	136,970,524
- at fixed rates	387,484,442	470,382,210	387,484,442	470,382,210
	463,060,080	607,352,734	463,060,080	607,352,734

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

16 Shareholder loan

	Group		Company	
	2024	2023	2024	2023
Loans from a shareholder (Note 28 v)	184,802,118	184,802,118	184,802,118	184,802,118
Classified as :				
Non-current	52,091,034	48,925,468	52,091,034	48,925,468
Current	132,711,084	135,876,650	132,711,084	135,876,650
	184,802,118	184,802,118	184,802,118	184,802,118

Terms and conditions of loans are set out in Note 28.

17 Contract liabilities, trade and other payables

	Group		Company	
	2024	2023	2024	2023
Trade payables	738,110,640	1,026,452,266	738,110,640	1,026,452,266
Accrued expenses	15,813,702	14,479,442	15,813,702	14,479,442
Payables to related parties (Note 28 iii)	1,223,714,377	1,239,150,745	1,223,714,377	1,239,150,745
Contract liabilities	132,237,288	214,808,117	132,237,288	214,808,117
Employee retirement benefit - Note 17(a)	41,572,746	36,863,663	41,572,746	36,863,663
Payable for acquisition of MPL Assets	16,538,337	19,050,489	16,538,337	19,050,489
Other payables	704,219,611	443,638,889	704,201,898	443,617,453
	2,872,206,701	2,994,443,611	2,872,188,988	2,994,422,175
Classified as:				
Non-current				
Trade and other payables	18,890,627	54,383,262	18,890,627	54,383,262
Employee retirement benefit	41,572,746	36,863,663	41,572,746	36,863,663
	60,463,373	91,246,925	60,463,373	91,246,925
Current				
Trade and other payables	2,679,506,040	2,688,388,569	2,679,488,327	2,688,367,133
Contract liabilities	132,237,288	214,808,117	132,237,288	214,808,117
	2,811,743,328	2,903,196,686	2,811,725,615	2,903,175,250

Other payables of the Group consist of unpaid dividend amounting to MVR 86,775,368 (2023: MVR 38,576,986), GST payable amounting to MVR 395,596,618 (2023: MVR 239,374,200), advance received from customers amounting to MVR 43,120,001 (2023: MVR 43,157,634), retention payable MVR 2,087,609 (2023: MVR 2,431,399), refundable deposits MVR 7,177,161 (2023: MVR 6,979,061), provision for defects amounting to MVR 3,063,164 (2023: MVR 1,399,056) and miscellaneous payable amounting to MVR 166,399,690 (2023: MVR 111,720,553).

Payable for acquisition of land (accounted under inventories in Note 12) for which the Group has a commitment to pay for the acquisition of the land to construct housing units for the Company staff and other customers.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

17 Contract liabilities, trade and other payables (continued)

a) Employee retirement benefit	Group		Company	
	2024	2023	2024	2023
Opening balance	36,863,663	33,481,400	36,863,663	33,481,400
Current service cost	11,429,256	10,063,877	11,429,256	10,063,877
Interest cost	1,695,728	1,540,144	1,695,728	1,540,144
Actuarial gain	(7,693,791)	(6,806,698)	(7,693,791)	(6,806,698)
	42,294,856	38,278,723	42,294,856	38,278,723
Less: payments during the year	(722,110)	(1,415,060)	(722,110)	(1,415,060)
Closing balance	41,572,746	36,863,663	41,572,746	36,863,663

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

	Group		Company	
	2024	2023	2024	2023
Amount recognized in profit or loss (Note 20)				
Current service cost	11,429,256	10,063,877	11,429,256	10,063,877
Interest cost	1,695,728	1,540,144	1,695,728	1,540,144
	13,124,984	11,604,021	13,124,984	11,604,021
Amount recognized in other comprehensive income				
Actuarial gain due to changes in assumptions	(1,949,147)	(440,793)	(1,949,147)	(440,793)
Actuarial gain due to changes in experience	(5,744,644)	(6,365,905)	(5,744,644)	(6,365,905)
Actuarial gain	(7,693,791)	(6,806,698)	(7,693,791)	(6,806,698)

Employee retirement obligation is actuarially valued by Mr. P. Gunasekara, AAIA, as at 31 December 2024 and the appropriate adjustments have been adjusted in the financial statements. Key assumptions used in the calculation are as follows:

	Group		Company	
	2024	2023	2024	2023
Expected salary inflation	1% from 2024	1% from 2023	1% from 2024	1% from 2023
Discount rate	4.60%	4.60%	4.60%	4.60%
Mortality rate	Age 67-70	Age 67-70	Age 67-70	Age 67-70
Staff turnover rate	16% - 34% - Age 55	13% - 29% - Age 55	16% - 34% - Age 55	13% - 29% - Age 55
Disability / illness rate	10 % - Age 67-70	10 % - Age 67-70	10 % - Age 67-70	10 % - Age 67-70

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

17 Contract liabilities, trade and other payables (continued)

Significant estimates: actuarial assumptions and sensitivity

Sensitivity of assumptions employed in actuarial valuation

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

The sensitivity of the statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

	Group / Company			
	2024		2023	
	Liability	Change	Liability	Change
1% increase in salary inflation rate	42,328,290	755,544	37,606,347	742,684
1% decrease in salary inflation rate	40,899,832	(672,914)	36,209,871	(653,792)
1% increase in discount rate	39,284,176	(2,288,570)	34,630,228	(2,233,435)
1% decrease in discount rate	44,140,556	2,567,810	39,388,571	2,524,908
1% increase in staff turnover rate	40,971,350	(601,396)	36,204,561	(659,102)
1% decrease in staff turnover rate	42,224,603	651,857	37,582,594	718,931

Analysis of maturity profile

The analysis was performed based on the future working life time of each individual employee. The expected future working life considers the probability of an exit due to withdrawal, death or disability prior to retirement date.

Group / Company as at 31 December 2024

Future expected working life	Number of employees	Average future expected working life	Retirement benefit obligation
Within the next 12 months	47	0.46	2,191,506
Between 1-2 years	23	1.60	552,525
Between 2-5 years	2,363	3.47	12,555,580
Between 5-10 years	1,808	5.26	26,273,134
Beyond 10 years	-	-	-
Total	**4,241**	**4.19**	**41,572,745**

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

17 Contract liabilities, trade and other payables (continued)

Group / Company as at 31 December 2023

Future expected working life	Number of employees	Average future expected working life	Retirement benefit obligation
Within the next 12 months	28	0.57	789,995
Between 1-2 years	21	1.48	1,222,793
Between 2-5 years	2,528	3.92	10,473,690
Between 5-10 years	2,115	5.78	24,377,185
Beyond 10 years	-	-	-
Total	**4,692**	**4.73**	**36,863,663**

Analysis of duration of service

The analysis was performed based on the duration of service by each individual employee.

Group as at 31 December 2024

Period of service in years	Number of employees	Retirement benefit obligation	Current service cost
Less than 12 months	472	-	-
Between 1-4 years	2,609	1,097,681	760,787
Between 5-9 years	567	1,110,504	492,224
Between 10-14 years	309	4,099,866	1,139,092
Between 15-19 years	266	30,049,006	7,906,253
20 years and above	18	5,215,688	1,130,900
Total	**4,241**	**41,572,745**	**11,429,256**

Group as at 31 December 2023

Period of service in years	Number of employees	Retirement benefit obligation	Current service cost
Less than 12 months	1,215	-	-
Between 1-4 years	2,358	1,118,784	859,199
Between 5-9 years	601	1,473,899	637,617
Between 10-14 years	248	3,615,877	1,021,835
Between 15-19 years	254	26,188,589	6,693,148
20 years and above	16	4,466,514	852,078
Total	**4,692**	**36,863,663**	**10,063,877**

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

17 Contract liabilities, trade and other payables (continued)

Company as at 31 December 2024

Period of service in years	Number of employees	Retirement benefit obligation	Current service cost
Less than 12 months	472	-	-
Between 1-4 years	2,609	1,097,681	760,787
Between 5-9 years	567	1,110,504	492,224
Between 10-14 years	309	4,099,866	1,139,092
Between 15-19 years	266	30,049,006	7,906,253
20 years and above	18	5,215,688	1,130,900
Total	**4,241**	**41,572,745**	**11,429,256**

Company as at 31 December 2023

Period of service in years	Number of employees	Retirement benefit obligation	Current service cost
Less than 12 months	1,215	-	-
Between 1-4 years	2,358	1,118,784	859,199
Between 5-9 years	601	1,473,899	637,617
Between 10-14 years	248	3,615,877	1,021,835
Between 15-19 years	254	26,188,589	6,693,148
20 years and above	16	4,466,514	852,078
Total	**4,692**	**36,863,663**	**10,063,877**

b) Assets and liabilities related to contracts with customers

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
Current contract assets relating to construction contracts	244,657,772	595,386,076	244,657,772	595,386,076
Less: loss allowance	(531,083)	(963,429)	(531,083)	(963,429)
Total contract assets	**244,126,689**	**594,422,647**	**244,126,689**	**594,422,647**
Current contract liabilities relating to construction contracts	132,237,288	214,808,117	132,237,288	214,808,117
Total current contract liabilities	**132,237,288**	**214,808,117**	**132,237,288**	**214,808,117**
Revenue recognised that was included in the contract liability balance at the beginning of the period	**206,581,638**	**112,078,640**	**206,581,638**	**112,078,640**

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

18 Other income

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
Other income	17,424,808	25,358,865	17,424,808	25,188,994
Dividend income	10,954,800	8,763,840	10,954,800	8,763,840
Rent income	21,710,668	13,751,392	21,710,668	13,751,392
Compensation received from Government	349,278,397	-	349,278,397	-
Tawmil taksit profit	1,752,434	2,965,031	1,752,434	2,965,031
Profit on sale of property, plant and equipment	66,898	346,328	66,898	346,328
Reversal of impairment loss on other recievables	-	1,840,497	-	1,840,497
Reversal of provision for defects liability	-	692,501	-	692,501
	401,188,005	53,718,454	401,188,005	53,548,583

The Government of Maldives has granted an amount of MVR 349,942,836 (2023: MVR Nil) as compensation towards construction and dredging segment of the Company, which is shown under other receivables.

Other income mainly consist of commission income from auction sales, sales rebate income from suppliers, advertisement income and fine charges collected from customers.

19 Expenses

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
Depreciation - PPE (Note 6)	346,674,578	291,068,761	346,674,578	291,068,761
Depreciation - Investment property (Note 6.1)	3,487,405	2,307,812	3,865,925	2,686,332
Depreciation charge of right-of-use assets (Note 6.2)	21,622,275	30,673,187	21,622,275	30,673,187
Impairment of PPE (Note 6)	-	5,880,131	-	5,880,131
Amortization of intangible assets (Note 7)	3,995,755	4,660,935	3,995,755	4,660,935
Employee benefit expense (Note 20)	749,048,656	759,981,728	749,048,656	759,981,728
Materials and consumables	1,278,649,908	1,632,340,837	1,278,649,908	1,632,340,837
Director fees	1,216,318	1,074,167	1,216,318	1,074,167
Lease rent and hiring expenses	118,287,655	388,492,082	118,287,655	388,492,082
Sub contract expenses	1,502,291	5,060,099	1,502,291	5,060,099
Repairs and maintenance	59,776,757	32,018,286	59,776,757	32,018,286
Transportation, travel and inspection	20,825,305	33,165,632	20,825,305	33,165,632
Utilities and communication expense	93,386,321	80,291,747	93,384,786	80,291,747
Accounting and professional charges	1,576,210	774,573	1,566,434	766,344
Consultation, legal and service charges	5,935,493	5,410,057	5,935,493	5,410,057
Bank charges	12,956,894	17,522,677	12,955,823	17,515,593
Advertising, promotion and marketing	7,517,154	6,985,120	7,517,154	6,985,120
Training expenses	8,396,659	12,235,012	8,396,659	12,235,012
License and registration fees	5,053,698	5,397,336	5,053,698	5,397,336
Printing and stationery	2,802,891	4,901,397	2,802,891	4,901,397
Security charges	811,038	224,368	811,038	224,368
Loss of assets	7,849	20,088,957	7,849	20,088,957
Provision for defects liability	1,664,108	-	1,664,108	-
Provision for expected losses from construction projects	11,242,445	-	11,242,445	-
Balance c/f	2,756,437,663	3,340,554,901	2,756,803,801	3,340,918,108

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

19 Expenses (continued)

	Group 2024	Group 2023	Company 2024	Company 2023
Balance b/f	2,756,437,663	3,340,554,901	2,756,803,801	3,340,918,108
Provision for obsolete inventory	8,987,159	17,721,132	8,987,159	17,721,132
Impairment loss on other recievables	3,147,463	-	3,147,463	-
Impairment loss on financial and contract assets	12,836,799	10,935,673	12,836,799	10,935,673
Government subsidy for transport loss (Note 30)	(464,202,918)	(459,942,836)	(464,202,918)	(459,942,836)
Other expenses	74,652,501	68,387,679	74,645,266	68,374,179
Total	2,391,858,667	2,977,656,549	2,392,217,570	2,978,006,256

The Government of Maldives has granted a subsidy of MVR 464,202,918 (2023: MVR 459,942,836) to compensate the total losses incurred from the transport segment of the Company, which is shown under other receivables.

Classified as:

	Group 2024	Group 2023	Company 2024	Company 2023
- cost of sales	1,955,396,090	2,524,542,417	1,955,396,090	2,524,542,417
- selling and marketing expenses	7,517,154	6,985,120	7,517,154	6,985,120
- administrative expenses	346,970,578	373,391,885	347,336,716	373,755,092
- other operating expenses	69,138,046	61,801,454	69,130,811	61,787,954
- Impairment loss on financial and contract assets	12,836,799	10,935,673	12,836,799	10,935,673
	2,391,858,667	2,977,656,549	2,392,217,570	2,978,006,256

20 Employee benefit expense

	Group 2024	Group 2023	Company 2024	Company 2023
Wage and salaries	443,195,881	440,314,693	443,195,881	440,314,693
Other allowance	231,885,429	251,881,580	231,885,429	251,881,580
Pension contribution	15,315,103	14,282,863	15,315,103	14,282,863
Staff food allowance	22,170,271	22,209,597	22,170,271	22,209,597
Staff medical expenses	1,357,006	305,781	1,357,006	305,781
Retirement benefit (Note 17)	13,124,984	11,604,021	13,124,984	11,604,021
Visa fees	16,032,591	14,120,526	16,032,591	14,120,526
Staff welfare	5,967,391	5,262,667	5,967,391	5,262,667
	749,048,656	759,981,728	749,048,656	759,981,728

21 Finance costs (net)

	Group 2024	Group 2023	Company 2024	Company 2023
Finance cost				
- Interest expense on leases	12,328,983	14,661,796	12,328,983	14,661,796
- Interest expense on other payables	5,935,252	10,922,816	5,935,252	10,922,816
- Interest expense on borrowings	68,366,740	77,509,471	68,366,740	77,509,471
- Interest expense on bank overdraft	2,412,900	2,342,381	2,412,900	2,342,381
- Net foreign exchange loss / (gain)	36,165,239	68,540,966	36,165,239	68,540,966
	125,209,114	173,977,430	125,209,114	173,977,430

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

21 Finance costs (net) - continued

	Group 2024	Group 2023	Company 2024	Company 2023
Finance income				
- Interest income from projects under financing	(8,709,025)	(11,603,495)	(8,709,025)	(11,603,495)
- Interest income	-	(10,754)	-	(10,754)
	(8,709,025)	(11,614,249)	(8,709,025)	(11,614,249)
Net finance costs	116,500,089	162,363,181	116,500,089	162,363,181

22 Tax expense

	Group 2024	Group 2023	Company 2024	Company 2023
Current tax expense	29,050,201	35,028,716	29,050,201	35,028,716
Deferred tax (Note 10)	(24,652,573)	(16,804,649)	(24,652,573)	(16,804,649)
	4,397,628	18,224,067	4,397,628	18,224,067

Reconciliations between income tax expenses and the accounting profit :

	Group 2024	Group 2023	Company 2024	Company 2023
Profit before tax	49,607,565	115,349,989	49,248,662	114,830,411
Tax calculated at the rate of 15%	7,441,135	17,302,498	7,387,299	17,224,562
Add: tax on non-deductible expenses	1,861,109	3,824,287	1,914,945	3,902,223
	9,302,244	21,126,785	9,302,244	21,126,785
Less: tax on deductible expenses	(4,904,616)	(2,902,718)	(4,904,616)	(2,902,718)
Income tax expense	4,397,628	18,224,067	4,397,628	18,224,067
Tax charge during the year	4,397,628	18,224,067	4,397,628	18,224,067

Income tax payable:	Group 2024	Group 2023	Company 2024	Company 2023
At the beginning of the year	50,974,192	57,286,227	50,974,192	57,286,227
Current tax expense	29,050,201	35,028,716	29,050,201	35,028,716
Tax paid during the year	-	(41,340,751)	-	(41,340,751)
At the end of the year	80,024,393	50,974,192	80,024,393	50,974,192

23 Earnings per share

Basic/diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Group 2024	Group 2023	Company 2024	Company 2023
Profit attributable to equity holders	45,209,937	97,125,922	44,851,034	96,606,344
Weighted average number of ordinary shares	8,037,749	8,037,749	8,037,749	8,037,749
Basic/diluted earnings per share (MVR per share)	5.62	12.08	5.58	12.02

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

24 Cash generated from operations

Reconciliation of profit for the year to cash generated from operations:

	Group 2024	Group 2023	Company 2024	Company 2023
Profit before tax for the year	49,607,565	115,349,989	49,248,662	114,830,411
Adjustments for:				
-Depreciation - (Note 6 and 6.1)	350,161,983	293,376,573	350,540,503	293,755,093
-Depreciation of right-of-use assets - (Note 6.2)	21,622,275	30,673,187	21,622,275	30,673,187
-Amortization of intangible assets (Note 7)	3,995,755	4,660,935	3,995,755	4,660,935
-Loss on sale of property, plant and equipment	7,849	20,088,957	7,849	20,088,957
-Profit on sale of property, plant and equipment	(66,898)	(346,328)	(66,898)	(346,328)
-Impairment of PPE (Note 6)	-	5,880,131	-	5,880,131
- Provision for receivables (Note 19)	12,836,799	10,935,673	12,836,799	10,935,673
- Provision / (reversal of provision) for other receivables (Note 18 and 19)	3,147,463	(1,840,497)	3,147,463	(1,840,497)
-Provision for obsolete inventories (Note 19)	8,987,159	17,721,132	8,987,159	17,721,132
-Provision for retirement benefit (Note 17)	13,124,984	11,604,021	13,124,984	11,604,021
-Provision / (reversal of provision) for defects liability (Note 18 and 19)	1,664,108	(692,501)	1,664,108	(692,501)
-Provision for expected losses from construction projects (Note 19)	11,242,445	-	11,242,445	-
-Interest expenses on borrowings and overdrafts (Note 21)	70,779,640	79,851,852	70,779,640	79,851,852
-Interest expenses on other payables (Note 21)	5,935,252	10,922,816	5,935,252	10,922,816
-Interest expenses on leases (Note 21)	12,328,983	14,661,796	12,328,983	14,661,796
-Government subsidy (Note 18 and 19)	(813,481,315)	(459,942,836)	(813,481,315)	(459,942,836)
-Dividend income (Note 18)	(10,954,800)	(8,763,840)	(10,954,800)	(8,763,840)
-Interest income (Note 21)	(8,709,025)	(11,614,249)	(8,709,025)	(11,614,249)
Changes in working capital:				
- trade and other receivables	560,034,264	(546,267,486)	560,011,995	(543,523,840)
- inventories	273,082,549	(125,219,121)	273,082,549	(125,219,121)
- trade and other payables	(188,050,927)	1,308,879,531	(188,047,204)	1,308,864,571
Cash generated from operations	377,296,108	769,919,735	377,297,179	772,507,363

In the cash flow statement, proceeds from the sale of property, plant and equipment comprise:

	Group 2024	Group 2023	Company 2024	Company 2023
Net book amount (Note 6)	7,849	20,088,957	7,849	20,088,957
Loss on sale of property, plant and equipment	59,049	(19,742,629)	59,049	(19,742,629)
Proceeds from sale of property, plant and equipment	66,898	346,328	66,898	346,328

MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC
Financial statements - 31 December 2024

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

25 Dividends

Dividends payable are not accounted for until they have been ratified at the Annual General Meeting. Dividend of MVR 4.00 per share amounting to MVR 32,150,996 for the financial year 2022, was approved at the Extraordinary General Meeting held on 11 June 2024. Additionally, a dividend of MVR 3.00 per share, amounting to MVR 24,113,247 for the financial year 2023, was approved at the Annual General Meeting held on 17 July 2024, and has been shown in the statement of changes in equity during the year 2024.

26 Contingencies

Contingent liabilities

The Company enjoyed a letter of credit, bank guarantee and trust receipts facilities of MVR 83,824,364 (2023: MVR 121,151,573) as at the reporting date from local banks.

A claim amounting US$ 2,707,995 for damages was lodged during the year 2019 against the Company by Ms. Viktoria Riiako as compensation for wrongful death of her daughter caused by an MTCC bus. However, the judge dismissed the case on the ground that two criminal cases are being filed by the state against the driver, and as such, the court could not proceed with the case as long as the criminal cases are ongoing. The Company has disclaimed the liability. No provision in relation to the claim has been recognised in the financial statements as the legal case against the Company has been dismissed and the amount of damage cannot be measured with sufficient reliability.

There were no material contingent liabilities other than disclosed above as at the reporting date.

Contingent assets

There were no material contingent assets recognized at the reporting date.

27 Commitments

Capital commitments

Capital commitment amounting MVR 12,217,277 was outstanding as at 31 December 2024 (2023: MVR 46,469,852).

Lease commitments where right-of-use assets and lease liability not recognised:

	Group 2024	Group 2023	Company 2024	Company 2023
Lease rentals falling:	**Less than one year MVR**	**Less than one year MVR**	**Less than one year MVR**	**Less than one year MVR**
Houses	3,007,250	2,391,600	3,007,250	2,391,600
Vessels	9,036,087	-	9,036,087	-
Male' land plots	2,379,394	3,297,864	2,379,394	3,297,864
	14,422,731	**5,689,464**	**14,422,731**	**5,689,464**

Financial commitments

On 3rd January 2024, the Company committed to invest in its associate company, MIDFZ through the subscription of 1,850,400 ordinary shares at a value of MVR 100 per share, amounting to a total investment of MVR 185,040,000. The commitment has not yet been settled as at the reporting date.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

28 Related party transactions

The Government of Maldives holds 64.20% (2023: 64.20%) of the voting rights of the Company as at 31 December 2024 and has significant influence over the financial and operating policies of the Company. Accordingly, the Company has considered the Government of Maldives as a related party according to IAS 24 Related Party Disclosures. During the year ended 31 December 2024, the Company has carried out transactions with the Government of Maldives and other Government related entities in the ordinary course of business.

(i) Transactions

The following transactions were carried out, on commercial terms and conditions, with related parties:

	Group		Company	
	2024	2023	2024	2023
Construction revenue	1,446,474,771	3,003,892,885	1,446,474,771	3,003,892,885
Trading revenue	87,580,145	59,185,033	87,580,145	59,185,033
Others sales and services	17,015,991	73,153,530	17,015,991	73,153,530
Government subsidy	349,278,397	459,942,836	349,278,397	459,942,836
Construction materials purchased	871,963,439	1,235,182,509	871,963,439	1,235,182,509
Dividends declared	38,739,960	-	38,739,960	-

(ii) Receivables from related parties (Note 11)

	Group		Company	
	2024	2023	2024	2023
Construction revenue	789,853,400	819,150,580	789,882,662	819,157,573
Trading revenue	44,853,104	25,888,092	44,853,104	25,888,092
Others sales and services	131,533,262	84,970,517	131,533,262	84,970,517
Retention receivables	297,468,530	233,653,564	297,468,530	233,653,564
	1,263,708,296	1,163,662,753	1,263,737,558	1,163,669,746

(iii) Payables to related parties (Note 17)

	Group		Company	
	2024	2023	2024	2023
Construction materials purchased	125,919,214	89,981,719	125,919,214	89,981,719
Dividends	38,739,960	-	38,739,960	-
Project advances	936,641,025	974,403,908	936,641,025	974,403,908
Others goods and services purchased	122,414,178	174,765,118	122,414,178	174,765,118
	1,223,714,377	1,239,150,745	1,223,714,377	1,239,150,745

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

28 Related party transactions (continued)

(iv) Transactions with subsidiary

Name of the Company	Nature of the transaction	For the year ended		Net payable balance as at 31 December	
		2024	2023	2024	2023
Maldives Real Estate Investments Corporation Private Limited	Purchase of goods and services	-	-		
(Fully owned subsidiary)	Payments made	22,269	(2,743,646)	(29,262)	(6,993)

(v) Loans from a shareholder

Ministry of Finance and Treasury (Note 16)

	Group		Company	
	2024	2023	2024	2023
Trade loan	16,500,000	16,500,000	16,500,000	16,500,000
Ten year subsidy loan	48,302,118	48,302,118	48,302,118	48,302,118
Mudarabah equity finance	120,000,000	120,000,000	120,000,000	120,000,000
	184,802,118	184,802,118	184,802,118	184,802,118

	Group		Company	
	2024	2023	2024	2023
The movement in the year can be analysed as follows;				
Beginning of the year	184,802,118	277,344,335	184,802,118	277,344,335
Loans settled during the year	-	(92,542,217)	-	(92,542,217)
End of the year	184,802,118	184,802,118	184,802,118	184,802,118

Trade loan received from Ministry of Finance and Treasury amounting to MVR 16,500,000 (2023: MVR 16,500,000), which is unsecured and payable in three years on a monthly equal instalments and carries an interest rate of 8% per annum.

Subsidiary loan received from Ministry of Finance and Treasury amounting to MVR 48,302,118 (2023: MVR 48,302,118), which was unsecured and payable in ten years on a quarterly equal instalments. The loan is payable over a period of ten years in equal quarterly installments, with no interest charge applicable.

Mudarabah equity finance obtained from Ministry of Finance and Treasury amounting to MVR 120 million (2023: MVR 120 million), which is unsecured, payable within 3 months with the profit share arrangement of 13% per annum from the gross profit of trading division, accordingly the amount has been shown as falling due within one year classified under amortized cost.

The amount borrowed has been considered a loan due to the contractual obligation to repay the principal along with a predetermined profit share, which exists irrespective of actual profit realization. This creates a financial liability as the agreement imposes a present obligation to deliver cash to the lender, with no residual interest in the entity's net assets. The transaction meets the definition of a financial liability under IFRS 9, rather than equity, given the obligation to repay principal along with an interest which does not vary significantly.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

28 Related party transactions (continued)

(vi) Collectively, but not individually significant transactions

The Group has transactions with entities directly or indirectly controlled by the Government of Maldives through its authorities, agencies, affiliations and other organizations, collectively referred to as government entities. The Group has transactions with other government related entities including but not limited to sales, purchases, rendering of services, lease of assets and use of public utilities.

(vii) Payable to Maldives Ports Limited (MPL) for the acqusition of assets

	Group		Company	
	2024	2023	2024	2023
Beginning balance	19,050,490	21,353,296	19,050,490	21,353,296
Amounts paid	(2,512,152)	(2,302,806)	(2,512,152)	(2,302,806)
Closing balance	16,538,338	19,050,490	16,538,338	19,050,490

The amount payable to MPL is unsecured, carries no interest and payable on a monthly equal installments over the period of 10 years, and classified as follows;

	Group		Company	
	2024	2023	2024	2023
Within 1 year	2,721,498	2,721,498	2,721,498	2,721,498
Between 2 to 5 years	10,048,608	10,048,608	10,048,608	10,048,608
Between 6 to 10 years	3,768,232	6,280,384	3,768,232	6,280,384
	16,538,338	19,050,490	16,538,338	19,050,490

(viii) Key management remuneration

	Group		Company	
	2024	2023	2024	2023
Directors' remuneration	1,216,318	1,074,167	1,216,318	1,074,167
Key management remuneration	18,324,337	12,030,160	18,324,337	12,030,160
	19,540,655	13,104,327	19,540,655	13,104,327

Key management personnel include Company Secretary, Chief Executive Officer / Managing Director, Deputy Managing Director, Deputy Chief Operating Officer, Chief Financial Officer, Chief Project Management Officer, Chief Marketing Officer, Chief Procurement Officer, Chief People Officer, Chief Sales Officer, Chief Engineering & Technical Officer, Chief Internal Auditor, Chief Risk Officer and General Managers.

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

29 Segment information - Group

At 31 December 2024, the Group is organized into five main business segments.

(1) Trading : Trading of engines, generators, spare parts, lubricants, paints and industrial gas, and auctions of various products.

(2) Construction and Dredging : Construction of harbour development projects, dredging and land reclamation, shore protection projects, sheet piling projects and civil construction projects.

(3) Transport : Ferry service all over the atolls in Maldives and land transport services in greater Male' region.

(4) Real Estate : Development and management of housing units and providing all kinds of repair and maintenance services.

(5) Others : Anchoring and docking services, repair and maintenance services and ship agency services.

Construction and Dredging segments were aggregated into a single operating business segment considering earnings releases from the same clients, quarterly & other external reports (MMA surveryors) and based on the information which regularly reviewed by the managment and board of directors.

The segment results of the Group for the year ended 31 December 2024 are as follows:

	Trading	Construction and Dredging	Transport	Real estate	Others	Total
Total revenue	279,889,375	2,177,998,214	170,084,523	-	233,189,601	2,861,161,713
Less: Inter-segment revenue	(13,041,201)	(456,889,026)	(21,237,607)	-	(213,215,563)	(704,383,397)
Revenue	266,848,174	1,721,109,188	148,846,916	-	19,974,038	2,156,778,316
Other income	5,910,793	358,539,434	9,978,392	-	26,759,386	401,188,005
Operating profit / (loss)	91,090,152	61,857,479	6,483,580	(19,617)	6,696,060	166,107,654
Finance costs - net (Note 21)	(19,086,278)	(79,431,872)	(16,992,035)	-	(989,904)	(116,500,089)
Profit / (loss) before tax	72,003,874	(17,574,393)	(10,508,455)	(19,617)	5,706,156	49,607,565
Income tax	(6,429,540)	1,569,294	938,346	-	(475,728)	(4,397,628)
Profit / (loss) after tax	65,574,334	(16,005,099)	(9,570,109)	(19,617)	5,230,428	45,209,937

The segment results of the Group for the year ended 31 December 2023 are as follows:

	Trading	Construction and Dredging	Transport	Real estate	Others	Total
Total revenue	290,202,916	3,439,054,014	165,019,625	-	256,589,197	4,150,865,752
Less: Inter-segment revenue	(6,435,002)	(686,903,192)	(19,949,314)	-	(235,926,979)	(949,214,487)
Revenue	283,767,914	2,752,150,822	145,070,311	-	20,662,218	3,201,651,265
Other income	3,778,940	20,950,549	10,960,287	169,871	17,858,807	53,718,454
Operating profit / (loss)	77,183,408	161,081,584	19,863,561	141,058	19,443,559	277,713,170
Finance costs - net (Note 21)	(16,212,652)	(122,429,215)	(22,024,807)	-	(1,696,507)	(162,363,181)
Profit / (loss) before tax	60,970,756	38,652,369	(2,161,246)	141,058	17,747,052	115,349,989
Income tax	(9,676,314)	(6,134,293)	342,999	-	(2,756,459)	(18,224,067)
Profit / (loss) after tax	51,294,442	32,518,076	(1,818,247)	141,058	14,990,593	97,125,922

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

29 Segment information - Group (continued)

Other segment items included in the Group income statement are as follows:

	Trading	Construction and Dredging	Transport	Real estate	Others	Total
Year ended 31 December 2024						
Depreciation (Note 6)	2,442,667	256,022,430	65,278,808	-	22,930,673	346,674,578
Impairment loss on financial and contract assets (Note 11)	-	12,836,799	-	-	-	12,836,799
Provision for obsolete inventory (Note 19)	-	9,476,751	-	-	(489,592)	8,987,159
Amortisation (Note 7)	83,514	25,902	-	-	3,886,339	3,995,755
Year ended 31 December 2023						
Depreciation (Note 6)	2,560,719	205,660,012	60,778,400	-	22,069,630	291,068,761
Impairment of PPE (Note 6)	-	5,880,131	-	-	-	5,880,131
Impairment loss on financial and contract assets (Note 11)	1,197,313	7,114,376	114,814	-	2,509,170	10,935,673
Reversal of impairment loss on other receivables (Note 11)					(1,840,497)	(1,840,497)
Provision for obsolete inventory (Note 19)	-	9,476,751	-	-	8,244,381	17,721,132
Amortisation (Note 7)	97,417	30,214	-	-	4,533,304	4,660,935

The segment assets and liabilities of the Group at 31 December 2024 and capital expenditure for the year then ended are as follows:

	Trading	Construction and Dredging	Transport	Real estate	Others	Total
Assets	353,062,582	3,577,829,478	957,025,949	-	546,307,451	5,434,225,460
Liabilities	238,569,100	2,705,438,037	357,094,951	-	388,111,876	3,689,213,964
Capital expenditure (Note 6 and 7)	380,769	116,287,579	33,112,508	-	4,678,426	154,459,282

The segment assets and liabilities of the Group at 31 December 2023 and capital expenditure for the year then ended are as follows:

	Trading	Construction and Dredging	Transport	Real estate	Others	Total
Assets	272,169,887	3,941,806,733	810,438,233	-	688,127,269	5,712,542,122
Liabilities	207,801,062	3,047,008,645	437,858,872	-	253,586,619	3,946,255,198
Capital expenditure (Note 6 and 7)	3,878,923	445,050,043	53,644,836	-	15,774,797	518,348,599

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

29 Segment information - Company

At 31 December 2024, the Company is organized into four main business segments.

(1) Trading : Trading of engines, generators, spare parts, lubricants, paints and industrial gas, and auctions of various products.

(2) Construction and Dredging : Construction of harbour development projects, dredging and land reclamation, shore protection projects, sheet piling projects and civil construction projects.

(3) Transport : Ferry service all over the atolls in Maldives and land transport services in greater Male' region.

(4) Others : Anchoring and docking services, repair and maintenance services and ship agency services.

Construction and Dredging segments were aggregated into a single operating business segment considering earnings releases from the same clients, quarterly & other external reports (MMA surveryors) and based on the information which regularly reviewed by the managment and board of directors.

The segment results of the Company for the year ended 31 December 2024 are as follows:

	Trading	Construction and Dredging	Transport	Others	Total
Total revenue	279,889,375	2,177,998,214	170,084,523	233,189,601	2,861,161,713
Less: Inter-segment revenue	(13,041,201)	(456,889,026)	(21,237,607)	(213,215,563)	(704,383,397)
Revenue	266,848,174	1,721,109,188	148,846,916	19,974,038	2,156,778,316
Other income	5,910,793	358,539,434	9,978,392	26,759,386	401,188,005
Operating profit / (loss)	91,090,152	61,857,479	6,483,580	6,317,540	165,748,751
Finance costs - net (Note 21)	(19,086,278)	(79,431,872)	(16,992,035)	(989,904)	(116,500,089)
Profit / (loss) before tax	72,003,874	(17,574,393)	(10,508,455)	5,327,636	49,248,662
Income tax	(6,429,540)	1,569,294	938,346	(475,728)	(4,397,628)
Profit / (loss) after tax	65,574,334	(16,005,099)	(9,570,109)	4,851,908	44,851,034

The segment results of the Company for the year ended 31 December 2023 are as follows:

	Trading	Construction and Dredging	Transport	Others	Total
Total revenue	290,202,916	3,439,054,014	165,019,625	256,589,197	4,150,865,752
Less: Inter-segment revenue	(6,435,002)	(686,903,192)	(19,949,314)	(235,926,979)	(949,214,487)
Revenue	283,767,914	2,752,150,822	145,070,311	20,662,218	3,201,651,265
Other income	3,778,940	20,950,549	10,960,287	17,858,807	53,548,583
Operating profit / (loss)	77,183,408	161,081,584	19,863,561	19,065,039	277,193,592
Finance costs - net (Note 21)	(16,212,652)	(122,429,215)	(22,024,807)	(1,696,507)	(162,363,181)
Profit / (loss) before tax	60,970,756	38,652,369	(2,161,246)	17,368,532	114,830,411
Income tax	(9,676,314)	(6,134,293)	342,999	(2,756,459)	(18,224,067)
Profit / (loss) after tax	51,294,442	32,518,076	(1,818,247)	14,612,073	96,606,344

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Financial statements - 31 December 2024

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

29 Segment information - Company (continued)

Other segment items included in the Company income statement are as follows:

	Trading	Construction and Dredging	Transport	Others	Total
Year ended 31 December 2024					
Depreciation (Note 6)	2,442,667	256,022,430	65,278,808	22,930,673	346,674,578
Impairment loss on financial and contract assets (Note 11)	-	12,836,799	-	-	12,836,799
Provision for obsolete inventory (Note 19)	-	9,476,751	-	(489,592)	8,987,159
Amortisation (Note 7)	83,514	25,902	-	3,886,339	3,995,755
Year ended 31 December 2023					
Depreciation (Note 6)	2,560,719	205,660,012	60,778,400	22,069,630	291,068,761
Impairment of PPE (Note 6)	-	5,880,131	-	-	5,880,131
Impairment loss on financial and contract assets (Note 11)	1,197,313	7,114,376	114,814	2,509,170	10,935,673
Reversal of impairment loss on other receivables (Note 11)	-	-	-	(1,840,497)	(1,840,497)
Provision for obsolete inventory (Note 19)	-	9,476,751	-	8,244,381	17,721,132
Amortisation (Note 7)	97,417	30,214	-	4,533,304	4,660,935

The segment assets and liabilities of the Company at 31 December 2024 and capital expenditure for the year then ended are as follows:

	Trading	Construction and Dredging	Transport	Others	Total
Assets	353,062,582	3,577,829,478	957,025,949	547,997,810	5,435,915,819
Liabilities	238,569,100	2,705,438,037	357,094,951	388,094,163	3,689,196,251
Capital expenditure (Note 6 and 7)	380,769	116,287,579	33,112,508	4,678,426	154,459,282

The segment assets and liabilities of the Company at 31 December 2023 and capital expenditure for the year then ended are as follows:

	Trading	Construction and Dredging	Transport	Others	Total
Assets	272,169,887	3,941,806,733	810,438,233	690,172,808	5,714,587,661
Liabilities	207,801,062	3,047,008,645	437,858,872	253,565,183	3,946,233,762
Capital expenditure (Note 6 and 7)	3,878,923	445,050,043	53,644,836	15,774,797	518,348,599

MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

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Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

30 Reclassification of comparative information

In the current year, the Company has changed the presentation of transport subsidy income to align with the nature and purpose of the subsidy. Transport subsidy income amounting to MVR 459,942,836 million, which was previously presented under “Other income” in the statement of profit or loss for the year ended 31 December 2023, has been reclassified and offset against “Cost of sales” in the current year presentation. This reclassification provides a more relevant presentation of the financial performance by matching the subsidy income directly with the associated costs it is intended to subsidize. The comparative figures for the year ended 31 December 2023 have been restated accordingly.

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

Financial year ended 31 Dec 2023 (Group)

Statement of profit or loss	Previous presentation	Reclassification	Current presentation
Cost of sales	(2,984,485,253)	459,942,836	(2,524,542,417)
Other income	513,661,290	(459,942,836)	53,718,454

Financial year ended 31 Dec 2023 (Company)

Statement of profit or loss	Previous presentation	Reclassification	Current presentation
Cost of sales	(2,984,485,253)	459,942,836	(2,524,542,417)
Other income	513,491,419	(459,942,836)	53,548,583

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

31 Events after the reporting date

No significant events have occurred since the reporting date, which would require adjustments to, or disclosure in, the financial statements.

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