

**SECOND QUARTER REPORT  
APRIL TO JUNE  
2015**

**MTDC**

## 1. Corporate Information

### Name of the Company

Maldives Tourism Development Corporation Plc

### Registered Address

First Floor, G. Fathuruvehi  
Buruza Magu, Male' 20124  
Republic of Maldives

### Contact Details

Phone: + 960 334 7766

Fax: + 960 334 7733

Email: info@mtdc.com.mv

URL: www.mtdc.com.mv

### Company Registration Number

C - 280/2006

### Legal Form

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

### Stock Exchange listing

Ordinary Shares listed on the Maldives Stock Exchange.

### Board of Directors (as at 31<sup>st</sup> December 2014)

| Name                       | Position                 | Representation |
|----------------------------|--------------------------|----------------|
| Ms. Ibthishama Ahmed Saeed | Chairperson              | Non Executive  |
| Mr. Ahmed Niyaz            | Acting Managing Director | Executive      |
| Mr. Mohamed Iqbal          | Director                 | Non Executive  |
| Ms. Aminath Mohamed Moosa  | Director                 | Non Executive  |
| Mr. Abdulla Leeman Zahir   | Director                 | Non Executive  |
| Ms. Zeeshan Abdul Raheem   | Director                 | Non Executive  |
| Mr. Arif Abdul Samad       | Director                 | Non Executive  |

### Audit & Risk Management Committee Members (as at 31<sup>st</sup> December 2014)

| Name                     | Position | Representation |
|--------------------------|----------|----------------|
| Mr. Abdulla Leeman Zahir | Director | Non Executive  |
| Ms. Zeeshan Abdul Raheem | Director | Non Executive  |

### Nomination and Remuneration Committee Members (as at 31<sup>st</sup> December 2014)

| Name                      | Position | Representation |
|---------------------------|----------|----------------|
| Mr. Arif Abdul Samad      | Director | Non Executive  |
| Ms. Aminath Mohamed Moosa | Director | Non Executive  |
| Mr. Iqbal Mohamed         | Director | Non Executive  |

### Company Secretary

Ms. Mariyam Leena Ali

**Appointed Auditors of the Company**

Ernst & Young  
G.Shafag, 2<sup>nd</sup> Floor  
Male, Maldives

**Details of any subsidiary, joint venture & associate companies****Company Name**

ENA Hotel Holding Company Pvt. Ltd  
2<sup>nd</sup> floor, H. Aage,  
Boduthakurufaanu Magu,  
Male', Maldives

**Ownership Nature**

Joint Venture

**% of MTDC Ownership**

20%

## 2. About MTDC

### Vision

MTDC envisions becoming the most efficient Public Limited Company in the Maldives, by leveraging its core competencies and financial strength to achieve the expectations of shareholders and stakeholders to enhance the macro and micro economic potentials of the tourism industry.

### Mission

MTDC's Mission is to source diverse investments and efficiently deploy its resources to ensure that the investment yields the highest returns which will maximize the wealth of its shareholders. Today MTDC is actively engaged in the tourism industry. It is engaged in developing resort islands and aspires to turn the green islands into green resorts that would invite foreigners to relax, enjoy and create lasting memories.

The core business of MTDC is coined in its mission statement without reference to any specific industry. Rather, it embraces and empowers MTDC to pursue the development of diverse investments.

### Core Purpose

The Core Purpose of MTDC is to give every Maldivian the chance to invest in things that will be rewarding. Armed with this conviction every staff of MTDC come to work every morning, and engages in dialogue with other counterparts. It is this belief that sparks debates and contests, and at the end of the day every staff wins out with a smile of reassurance that the Core Purpose of why they come to work every day will never be compromised.

### Core Values

The Core Values of MTDC which are vehemently held on by all staff and executives alike, which form the foundation on which the company conducts its business, are:-

- Protecting the interest of shareholders at all times
- Being open minded and transparent
- Challenging the status-quo
- Caring, respecting and recognizing individual ability
- Being candid as a way of life

### Business Principles and Strategies

- Create an above market average dividend yield for shareholders to allow them to access the direct benefit of tourism quickly.
- Ensure that dividend policy and plans are sustainable in the long term while allowing for gradual growth.
- Build the organization around principles of getting the benefits of centralized knowledge flow and the efficiencies of decentralized operations.
- Monitor the market forces effectively to grasp changes in the market beforehand to create competitive advantages.
- Strategize business and asset development to diversify the risks related to the business.
- Diversify into horizontal unrelated markets to shelter the Company from any potential disasters in the industry.
- Diversify horizontally and vertically into related industries to attain higher efficiencies and reduce the cost of operation of core business.
- Create and sustain a knowledge based workforce with an innovation inductive environment to attain higher efficiencies.
- Challenge the norms of the industry to attain higher benefit both economically and socially.
- Always strive to attain the highest ethical standards in governance of the Company.
- Conform to the Corporate Governance Code of CMDA and listing rules and other relevant laws and regulations of Maldives.

### 3. Highlights of Major Business Activities

#### Status of Ongoing Resort Development Projects

As of 30<sup>th</sup> June 2015

##### **EKULHIVARU**

Location: Noonu Atoll

Status: Development yet to commence

Development Mode: Joint venture Partnership between MTDC and Ritz Carlton Group

Details: Deluxe, 180 beds

##### **KIHIVAH HURAVALHI**

Location: Baa Atoll

Status: Under Operation from December 2010 onwards as Anantara Kihavah Villas

Development Mode: Sublease model

Details: 5-star deluxe

##### **MAGUDHUVAA – Ayada Maldives**

Location: Gaafu Dhaalu Atoll

Status: Under Operation from November 2011 onwards as Ayada Maldives

Development Mode: Sublease model

Available Details: 5-star

##### **NAAGOASHI**

Location: Haa Dhaalu Atoll

Status: Under development, 50% complete

Development Mode: Sublease model

Details: 5-star

Expected date of completion: 2014

##### **EMBUDHUFUSHI AND OLHUVELI**

Location: Dhaalu Atoll

Status: Under Operation from March 2012 onwards as Niyama Maldives

Development Mode: Sublease model

Details: 5-star deluxe

#### **4. Employment Data**

Number of Staff: 24 Employees

#### **5. Board Related Details**

Five board meetings were held during the 4<sup>th</sup> Quarter of 2014 and the Board of Directors discussed and resolved strategic issues of the company related to;

- Issues related to MTDC sublease islands.
- Business and legal issues as well as issues related to MTDC properties

#### **6. Share Trading History**

##### **Market Highlights**

- ❖ Highest Traded Price - MVR 14
- ❖ Lowest Traded Price - MVR 10
- ❖ Market Capitalization – MVR 340,873,540
- ❖ Weighted Average Traded price : 10.18
- ❖ Price Earnings Ratio – Weighted average traded prices, MVR 10.18, / EPS, MVR 0.51
- ❖ Last traded Price : 10
- ❖ Dividend yield - N/A

#### **7. Corporate Governance Compliance**

MTDC strives to adhere to the highest principles of Corporate Governance Code of the CMDA by establishing standards and systems that promotes transparency, accountability, integrity and fairness at all levels and in all spheres of its operations.

Relevant information on company business operations had been provided to shareholders on a timely basis via media.

All fees and taxes had been paid to date to relevant authorities in compliance with the Companies Act as well as other relevant regulations and acts.

The 2<sup>nd</sup> quarter report of MTDC is compiled with the relevant information to ensure that MTDC meets with the minimum quarterly reporting requirements / standards for public listed companies.

**MALDIVES TOURISM DEVELOPMENT CORPORATION PLC**

**INTERIM FINANCIAL STATEMENTS**

**QUARTER ENDED**

**30<sup>th</sup> JUNE 2015**

## MALDIVES TOURISM DEVELOPMENT CORPORATION

Provisional Financial Statements

### STATEMENT OF COMPREHENSIVE INCOME

| For the Period ended                     | Note | 30-Jun-15<br>US\$ | Restated<br>31-Mar-15<br>US\$ |
|--|------|-------------------|-------------------------------|
| Revenue                                  |      | 3,585,484         | 3,585,484                     |
| Cost of Sales                            |      | (2,007,645)       | (2,227,925)                   |
| Gross Profit                             |      | 1,577,839         | 1,357,559                     |
| Other Income                             |      | -                 | 1,041,799                     |
| Administrative Expenses                  |      | (528,834)         | (982,781)                     |
| <b>Results from Operating Activities</b> |      | 1,049,005         | 1,416,577                     |
| Finance Income                           |      | 91,931            | 53,940                        |
| Profit / (Loss) Before Tax               |      | 1,140,936         | 1,470,517                     |
| Tax Expense                              |      | -                 | -                             |
| <b>Profit / (Loss) for the period</b>    |      | 1,140,936         | 1,470,517                     |
| Basic Earnings / (Loss) Per Share        |      | 0.03              | 0.04                          |

Figures in brackets indicate deductions.

Note: The above figures are subject to audit. The provisional financial statements have been prepared on the basis of same accounting policies and methods applied for the year ended 31 December 2014. Audit for 2014 has not yet been concluded.

30<sup>th</sup> July 2015

## MALDIVES TOURISM DEVELOPMENT CORPORATION

Provisional Financial Statements

### STATEMENT OF FINANCIAL POSITION

|                                      | Note | As at<br>30-Jun-15       | Restated<br>As at<br>31-Mar-15 |
|--------------------------------------|------|--------------------------|--------------------------------|
| <b>ASSETS</b>                        |      |                          |                                |
| <b>Non-Current Assets</b>            |      |                          |                                |
| Property, Plant and Equipment        |      | 125,969                  | 125,996                        |
| Lease rent equalization - Sub lease  |      | 73,561,370               | 72,181,842                     |
| <b>Total Non-Current Assets</b>      |      | <u>73,687,339</u>        | <u>72,307,837</u>              |
| <b>Current Assets</b>                |      |                          |                                |
| Trade and Other Receivables          |      | 17,050,253               | 16,166,332                     |
| Cash and Cash Equivalents            |      | 8,549,586                | 10,077,344                     |
| Short term financial Assets          |      | 23,346                   | 3,822,466                      |
| <b>Total Current Assets</b>          |      | <u>25,623,185</u>        | <u>30,066,142</u>              |
| <b>Total Assets</b>                  |      | <u><b>99,310,524</b></u> | <u><b>102,373,979</b></u>      |
| <b>EQUITY AND LIABILITIES</b>        |      |                          |                                |
| <b>Equity</b>                        |      |                          |                                |
| Share Capital                        |      | 26,527,123               | 26,527,123                     |
| Share Premium                        |      | 264,011                  | 264,011                        |
| Retained Earnings                    |      | (14,418,730)             | (15,559,667)                   |
| <b>Total Equity</b>                  |      | <u>12,372,404</u>        | <u>11,231,467</u>              |
| <b>Non-Current Liabilities</b>       |      |                          |                                |
| Deferred Tax Liabilities             |      | 8,413                    | 8,413                          |
| Lease rent equalization - Head Lease |      | 4,203,855                | 4,153,462                      |
| Head lease rent payables             |      | 29,753,301               | 33,432,199                     |
| Sub Lease Advances                   |      | 49,995,710               | 50,485,417                     |
| <b>Total Non-Current Liabilities</b> |      | <u>83,961,279</u>        | <u>88,079,491</u>              |
| <b>Current Liabilities</b>           |      |                          |                                |
| Trade and Other Payables             |      | 2,976,842                | 3,063,020                      |
| <b>Total Current Liabilities</b>     |      | <u>2,976,842</u>         | <u>3,063,020</u>               |
| <b>Total Liabilities</b>             |      | <u>86,938,121</u>        | <u>91,142,512</u>              |
| <b>Total Equity and Liabilities</b>  |      | <u><b>99,310,524</b></u> | <u><b>102,373,979</b></u>      |

Figures in brackets indicate deductions.

Note: The above figures are subject to audit. The provisional financial statements have been prepared on the basis of same accounting policies and methods applied for the year ended 31 December 2014. Audit for 2014 has not yet been concluded.

**MALDIVES TOURISM DEVELOPMENT CORPORATION**

Provisional Financial Statements

**STATEMENT OF CAHS FLOW****FOR THE PERIOD ENDED****Cash Flows From Operating Activities**

| Note                        | Period<br>30-Jun-15<br>US\$ | Restated<br>Period<br>31-Mar-15<br>US\$ |
|-----------------------------|-----------------------------|---|
|                             | 1,140,936                   | 1,470,517                               |
| Profit / (Loss) Before Tax  |                             |   |
| Adjustments for:            |                             |   |
| Depreciation for the period | 820                         | 938                                     |
| Interest Income             | (91,931)                    | (53,940)                                |

**Reclassification to Comprehensive Income**

|   |                    |                  |
|---|--------------------|------------------|
| Change in Short Term Financial Asset                          | 3,799,120          | 2,769,131        |
| Change in Trade and Other Receivables                         | (2,263,449)        | (2,289,311)      |
| Change in Trade and Other Payables                            | (4,204,391)        | 1,313,366        |
| Cash Generated from/(Used in) Operating Activities            | (1,618,896)        | 3,210,701        |
| Interest Paid   | -                  | -                |
| <b>Net Cash Generated from/(Used in) Operating Activities</b> | <b>(1,618,896)</b> | <b>3,210,701</b> |

**Cash Flows from Investing Activities**

|  |               |               |
|--|---------------|---------------|
| Purchase of Property, Plant and Equipment    | (793)         | (130)         |
| Interest Received                            | 91,931        | 53,940        |
| <b>Net Cash used in Investing Activities</b> | <b>91,138</b> | <b>53,811</b> |

**Cash Flows from Financing Activities**

|  |          |          |
|--|----------|----------|
| <b>Net Cash flows Used in Financing Activities</b> | <b>-</b> | <b>-</b> |
|--|----------|----------|

|   |                  |                   |
|---|------------------|-------------------|
| Net Decrease in Cash and Cash Equivalents               | (1,527,758)      | 3,264,512         |
| Cash and Cash Equivalents at the beginning of the year  | 10,077,344       | 6,812,832         |
| <b>Cash and Cash Equivalents at the end of the year</b> | <b>8,549,586</b> | <b>10,077,344</b> |

Figures in brackets indicate deductions.

Note: The above figures are subject to audit. The provisional financial statements have been prepared on the basis of same accounting policies and methods applied for the year ended 31 December 2014. Audit for 2014 has not yet been concluded.

30<sup>th</sup> July 2015

Ahmed Niyaz

Acting Managing Director