

# THIRD QUARTER REPORT

JULY TO SEPTEMBER

2013



## 1. Corporate Information

### Name of the Company

Maldives Tourism Development Corporation Plc

### Registered Address

First Floor, G. Fathuruvehi  
Buruzu 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 30<sup>th</sup> September 2013

Name	Position	Representation
Mr. Ahmed Niyaz	Director	Executive
Mr. Abdullah Leeman Zahir	Director	Executive
Mr. Ali Mohamed	Director	Non Executive
Mr. Abdulla Nisaam	Director	Non Executive
Mr. Ahmed Wafir	Director	Non Executive
Mr. Ali Azim	Director	Non Executive
Mr. Hussain Alim Shakoor	Director	Non Executive
Mr. Ahmed Zahir	Director	Non Executive

### Audit Committee Members as at 30<sup>th</sup> September 2013

Name	Position	Representation
Mr. Abdulla Nisam	Director	Non Executive
Mr. Ahmed Wafir	Director	Non Executive
Mr. Ali Mohamed	Director	Non Executive
Mr. Ali Azim	Director	Non Executive

### Nomination and Remuneration Committee members as at 30<sup>th</sup> September 2013

Name	Position	Representation
Mr. Abdulla Nisam	Director	Non Executive
Mr. Ahmed Wafir	Director	Non Executive
Mr. Ali Mohamed	Director	Non Executive
Mr. Ali Azim	Director	Non Executive

**Company Secretary**

Mr. Islah Shareef

**Appointed auditors of the company**

KPMG Ford, Rodes, Thornton & Co  
2A , H. Miyalani, Sosun Magu,  
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> September 2013

##### **ULIGAMU**

Location: Haa Alifu Atoll; 45-minute speedboat ride from HDh Hanimaadhoo Regional Airport

Status: approx. 40% complete, development placed on halt, currently discussing way forward

Development Mode: Wholly owned

Details: 4-star, 100 beds over 36 hectares plot of land in HDh. Uligamu Island

##### **VODAMULAA**

Location: Gaafu Alifu Atoll; 50-minute speedboat ride from GDh Kaadedhoo Regional Airport

Status: Development yet to commence, currently in the process of discussing way forward

Development Mode: Wholly owned

Details: 50 hectare island

##### **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

##### **KONDEYMATHEELAABADH**

Location: Gaafu Alifu Atoll

Status: Conceptual development, detail drawings and EIA complete, development to commence

Development Mode: Wholly owned

Details: 100 beds

##### **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: 436 employees

#### 5. Board related details

The board of directors discussed and resolved various issues of the company including;

- Appointment of members to Nomination & Remuneration Committee
- Appointment of members to Audit Committee
- Issues related to appointment of Managing Director
- Issues related to Herathera Island Resort
- Issues related to the sublease islands
- Various other business issues as well as issues related to MTDC properties

#### 6. Share Trading History

##### Market Highlights

- ❖ Highest Traded Price - MVR 100.00
- ❖ Lowest Traded Price - MVR 100.00
- ❖ Weighted Average Traded Price – MVR 100.00
- ❖ Market Capitalization – MVR 314,397,100.00
- ❖ Price Earnings Ratio – MVR -16.63
- ❖ 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 3<sup>rd</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 SEPTEMBER 2013**

## STATEMENT OF COMPREHENSIVE INCOME

For the Period ended	Note	30-Sep-13 US\$	<b>RESTATED</b> 30-Jun-13 US\$
Revenue		3,965,561	4,320,178
Cost of Sales		(2,343,789)	(2,421,632)
Gross Profit		1,621,772	1,898,546
Other Income		7,750	1,787
Distribution Expenses		(246)	-
Administrative Expenses		(2,172,772)	(2,532,659)
<b>Results from Operating Activities</b>		(543,496)	(632,326)
Finance Income		-	-
Finance Costs		(682,776)	(470,207)
Net Finance Income / (Costs)		(682,776)	(470,207)
Profit / (Loss) Before Tax		(1,226,272)	(1,102,533)
Tax Expense		-	-
<b>Profit / (Loss) for the Year</b>		(1,226,272)	(1,102,533)
Basic and diluted Earnings / (Loss) Per Share		(0.39)	(0.33)

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 2012

30<sup>th</sup> October 2013



# MALDIVES TOURISM DEVELOPMENT CORPORATION

Provisional Financial Statements

## STATEMENT OF FINANCIAL POSITION

		<b>As at</b>	<b>As at</b>
	<b>Note</b>	<b>30-Sep-13</b>	<b>30-Jun-13</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		63,634,188	64,840,382
Intangible Asset		920	967
Trade and Other Receivables		2,586,473	2,758,904
<b>Total Non-Current Assets</b>		<b>66,221,581</b>	<b>67,600,253</b>
<b>Current Assets</b>			
Inventories		359,763	333,477
Trade and Other Receivables		72,613,035	70,594,574
Cash and Cash Equivalents		947,847	637,526
<b>Total Current Assets</b>		<b>73,920,645</b>	<b>71,565,577</b>
<b>Total Assets</b>		<b>140,142,226</b>	<b>139,165,830</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital		24,466,700	24,466,700
Share Premium		2,324,434	2,324,434
Retained Earnings		5,272,565	6,498,837
<b>Total Equity</b>		<b>32,063,699</b>	<b>33,289,971</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities		2,120,104	2,120,104
Loans and Borrowings		11,759,751	11,954,751
Sub Lease Advances		45,730,794	46,322,164
<b>Total Non-Current Liabilities</b>		<b>59,610,649</b>	<b>60,397,018</b>
<b>Current Liabilities</b>			
Loans and Borrowings		5,740,000	5,545,000
Trade and Other Payables		42,727,878	39,933,840
<b>Total Current Liabilities</b>		<b>48,467,878</b>	<b>45,478,840</b>
<b>Total Liabilities</b>		<b>108,078,527</b>	<b>105,875,859</b>
<b>Total Equity and Liabilities</b>		<b>140,142,226</b>	<b>139,165,830</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 2012

30<sup>th</sup> October 2013

# MALDIVES TOURISM DEVELOPMENT CORPORATION

## STATEMENT OF CAHS FLOW

Provisional Financial Statements

### FOR THE PERIOD ENDED

	30-Sep-13	<b>RESTATED</b> 30-Jun-13
Note	US\$	US\$
<b>Cash Flows From Operating Activities</b>		
Profit / (Loss) Before Tax	(1,226,272)	(1,102,533)
Adjustments for:		
Depreciation	1,217,925	1,217,990
Amortization of Intangible Assets	47	46
Interest expenses	682,776	470,207
<b>Reclassification to Comprehensive Income</b>		
Change in Inventories	(26,286)	(6,397)
Change in Trade and Other Receivables	(1,897,345)	(2,238,829)
Change in Trade and Other Payables	2,202,668	2,213,972
Changes in amount to related parties	51,315	170,395
Cash Generated from/(Used in) Operating Activities	1,004,828	724,851
Interest Paid	(682,776)	(470,207)
<b>Net Cash Generated from/(Used in) Operating Activities</b>	<b>322,052</b>	<b>254,644</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(11,731)	(17,021)
<b>Net Cash used in Investing Activities</b>	<b>(11,731)</b>	<b>(17,021)</b>
<b>Cash Flows from Financing Activities</b>		
Repayment of Loans and Borrowings	-	-
<b>Net Cash flows Used in Financing Activities</b>	<b>-</b>	<b>-</b>
Net Decrease in Cash and Cash Equivalents	310,321	237,624
Cash and Cash Equivalents at the beginning of the year	637,526	399,903
<b>Cash and Cash Equivalents at the end of the year</b>	<b>947,847</b>	<b>637,526</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 2012

30<sup>th</sup> October 2013