

**THIRD QUARTER REPORT
JULY TO SEPTEMBER
2020**

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 30th September 2020)

Note: During the 3rd Quarter of 2020, there were changes in the board.

Name	Position	Representation
Mr. Abdulla Faiz	Chairman	Non Executive
Mr. Thazmeel Abdul Samad	Managing Director	Executive
Mr. Ahmed Niyaz	Deputy Managing Director	Executive
Ms. Aishath Fazeena	Director	Non Executive
Mr. Mohamed Janah	Director	Non Executive
Mr. Mohamed Fathih	Director	Non Executive
Mr. Ibrahim Latheef	Director	Executive
Ms. Asamy Rushdy	Director	Non Executive
Mr. Ahmed Mujuthaba	Director (from 29th August 2020)	Non Executive
Mr. Arif Abdul Samad	Director (till 29th August 2020)	Non Executive

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Audit & Risk Management Committee Members

Name	Position	Representation
Ms. Aishath Fazeena	Director	Non-Executive
Mr. Mohamed Janah	Director	Non-Executive
Ms. Asamy Rushdy	Director(till 20 th Sept 2020)	Executive
Mr. Ahmed Mujuthaba	Director (from 20 th Sept 2020)	Non-Executive

Nomination and Remuneration Committee Members

Name	Position	Representation
Ms. Aishath Fazeena	Director	Non-Executive
Mr. Mohamed Fathih	Director (from 20 th Sept 2020)	Non-Executive
Ms. Asamy Rushdy	Director (from 20 th Sept 2020)	Executive
Mr. Arif Abdul Samad	Director (till 29 th August 2020)	Non-Executive
Mr. Mohamed Janah	Director (till 20 th Sept 2020)	Executive

Corporate Governance and Compliance Committee Members

Name	Position	Representation
Ms. Asamy Rushdy	Director	Non-Executive
Mr. Ahmed Mujuthaba	Director (from 20 th Sept 2020)	Non-Executive
Mr. Mohamed Fathih	Director	Executive
Mr. Arif Abdul Samad	Director (till 29 th August 2020)	Non-Executive

Company Secretary

Ms. Mariyam Leena Ali

Appointed Auditors of the Company

KPMG,
H.Mialani, 2nd Floor
Male, Maldives

MALDIVES TOURISM DEVELOPMENT CORPORATION PLC

Details of any subsidiary, joint venture & associate companies

Company Name

ENA Hotel Holding Company Pvt. Ltd
2nd floor, H. Aage,
Bodu thakurufaanu 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

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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 30th September 2020

KIHAVAH HURAVALHI

Location: Baa Atoll

Development Mode: Sublease model

Details: 5-star deluxe

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

MAGUDHUVAA – Ayada Maldives

Location: Gaafu Dhaalu Atoll

Development Mode: Sublease model

Available Details: 5-star

Status: Under Operation from November 2011 onwards as Ayada Maldives

NAAGOASHI

Location: Haa Dhaalu Atoll

Development Mode: Sublease model

Details: 5-star

Expected date of completion: 2017

Status: Under development, 40% complete

4. Employment Data

Number of Staff: 14 Employees

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5. Board Related Details

Nine board meetings were held during the 3rd Quarter of 2020 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 10
- ❖ Lowest Traded Price - MVR 10
- ❖ Market Capitalization – MVR 340,873,540
- ❖ Weighted Average Traded price : MVR 10
- ❖ Price Earnings Ratio – 82.32 times
- ❖ Last traded Price : MVR 10
- ❖ Dividend yield - 5%

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 3rd quarter report of 2020 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

MALDIVES TOURISM DEVELOPMENT CORPORATION PLC

INTERIM FINANCIAL STATEMENTS

QUARTER ENDED

30TH SEPTEMBER 2020

MALDIVES TOURISM DEVELOPMENT CORPORATION PLC

STATEMENT OF COMPREHENSIVE INCOME

Unaudited Financial Statements
For the periods

	30-Sep-20	30-Jun-20
	US\$	US\$
Revenue	881,576	890,620
Cost of Operations	(298,987)	(303,080)
Gross Profit	582,589	587,539
Administrative Expenses	(204,150)	(130,049)
Provision for Impairment on Lease Rental Receivables	(111,330)	(111,330)
Results from Operating Activities	267,110	346,160
Finance Income	47,386	46,871
Net Finance Income / (Costs)	47,386	46,871
Profit / (Loss) Before Tax	314,496	393,032
Tax (Expense)/credit	(45,958)	(57,739)
Profit / (Loss) for the period	268,538	335,293

Figures in brackets indicate deductions.

Note: The above figures are subject to audit. The provisional financial statements have been prepared based on same accounting policies and methods applied for the year ended 31 December 2019

28th October 2020

MALDIVES TOURISM DEVELOPMENT CORPORATION PLC

STATEMENT OF FINANCIAL POSITION

Unaudited Financial Statements

For the periods

		As at	As at
ASSETS	Note	30-Sep-20	30-Jun-20
Non-Current Assets		US\$	US\$
Property, Plant and Equipment		50,958	37,845
Investment Property		20,000,000	20,000,000
Net Investment in Sub lease		41,634,172	41,634,172
Deferred Tax Assets		2,096,306	2,096,306
Total Non-Current Assets		63,781,435	63,768,322
Current Assets			
Current portion of Net Investment in Sub lease		2,844,614	2,074,367
Other Receivables		43,771	21,071
Investment in Fixed Deposit		4,160,701	4,113,315
Cash and Cash Equivalents		265,079	548,470
Total Current Assets		7,314,166	6,757,223
Total Assets		71,095,601	70,525,545
EQUITY AND LIABILITIES			
Equity			
Share Capital		26,183,719	26,183,719
Share Premium		607,415	607,415
Retained Earnings/ (Accumulated losses)		14,375,034	14,106,497
Total Equity		41,166,168	40,897,631
Non-Current Liabilities			
Lease Liability		13,575,912	13,575,912
Payables to Government of Maldives		13,205,605	13,205,605

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Total Non-Current Liabilities		26,781,517	26,781,517
Current Liabilities			
Trade and Other Payables		1,915,936	1,922,308
Current portion of Lease Liability		1,188,214	889,226
Tax Payable		43,766	34,863
Total Current Liabilities		3,147,916	2,846,398
Total Liabilities		29,929,433	29,627,915
Total Equity and Liabilities		71,095,601	70,525,545

Figures in brackets indicate deductions.

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STATEMENT OF CHANGES IN EQUITY

Unaudited Financial Statements

For the periods

	Share Capital	Share Premium	Retained Earnings	Total
	US\$	US\$	US\$	US\$
As of 1st April, 2020	26,183,719	607,415	13,771,204	40,562,338
Total Comprehensive Income for the Period			335,293	335,293
As of 30th June, 2020	26,183,719	607,415	14,106,497	40,897,631
As of 1st July, 2020	26,183,719	607,415	14,106,497	40,897,631
Total Comprehensive Income for the Period			268,538	268,538
As of 30th September, 2020	26,183,719	607,415	14,375,034	41,166,168

Figures in brackets indicate deductions.

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STATEMENT OF CASH FLOW

Unaudited Financial Statements

For the periods

	30-Sep-20	30-Jun-20
	US\$	US\$
Cash Flows From Operating Activities		
Profit / (Loss) Before Tax	314,496	393,032
Adjustments for:		
Depreciation for the period	2,007	1,350
Interest Income on Net Investment in Sub lease	(881,576)	(890,620)
Provision for Impairment of Lease Rental Receivables	111,330	111,330
Interest Income on Fixed Deposit	(47,386)	(46,871)
Interest Expense on Lease Liabilities	298,987	303,080
<u>Reclassification to Comprehensive Income</u>		
Change in Trade and Other Receivables	(22,700)	-
Change in Trade and Other Payables	(6,373)	(1,190)
Cash Generated from/(Used in) Operating Activities	(231,217)	(129,890)
Sub Lease Rent Received	-	-
Head Lease Rent Paid	-	-
Tax Paid	(37,054)	-
Net Cash Generated from/(Used in) Operating Activities	(268,271)	(129,890)
Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(15,120)	-
Net Cash used in Investing Activities	(15,120)	-
Net Decrease in Cash and Cash Equivalents	(283,391)	(129,890)
Cash and Cash Equivalents at the beginning of the period	548,470	678,359

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Cash and Cash Equivalents at the end of the period	265,079	548,470

Figures in brackets indicate deductions.

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Thazmeel Abdul Samad
Managing Director



Ibrahim Latheef
Chief Financial Officer