

FIRST QUARTER REPORT

2014



MTDC

www.mtdc.com.mv

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 31st March 2014

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. Ahmed Shakir	Director	Non Executive
Mr. Iqbal Mohamed	Director	Non Executive
Mr. Amjad Mustafa	Director	Non Executive

Audit Committee Members as at 31st March 2014

Name	Position	Representation
Mr. Abdulla Nisam	Director	Non Executive
Mr. Ahmed Wafir	Director	Non Executive
Mr. Ali Mohamed	Director	Non Executive
Mr. Iqbal Mohamed	Director	Non Executive
Mr. Amjad Mustafa	Director	Non Executive

Nomination and Remuneration Committee members as at 31st March 2014

Name	Position	Representation
Mr. Abdulla Nisam	Director	Non Executive
Mr. Ahmed Wafir	Director	Non Executive
Mr. Ali Mohamed	Director	Non Executive
Mr. Iqbal Mohamed	Director	Non Executive
Mr. Amjad Mustafa	Director	Non Executive

Company Secretary

Mr. Islah Shareef

Appointed Auditors of the company

Pricewaterhousecoopers

H. Thadhiraimaage, 3rd Floor

Roshanee Magu

Male, Maldives

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

ENA Hotel Holding Company Pvt. Ltd

2nd 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 31st March 2014

HERATHERA

Location: Seenu Atoll; 10 minutes by speed boat from GAN INTERNATIONAL AIRPORT

Status: Under operation from December 2007 and property sold to Canaries Pte. Ltd of Singapore on 31st March 2014

ULIGAMU

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

Status: approx. 40% complete, board has decided to terminate the lease agreement

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;

- Issues related to the finalization of the sale of 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 - N/A
- ❖ Lowest Traded Price - N/A
- ❖ Weighted Average Traded Price – N/A
- ❖ Market Capitalization – MVR 314,397,100.00
- ❖ Price Earnings Ratio – MVR - 14.10
- ❖ 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 1st 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

31 MARCH 2014

STATEMENT OF COMPREHENSIVE INCOME

For the Period ended	Note	31-Mar-14 US\$
Revenue		4,607,894
Cost of Sales		<u>(2,419,048)</u>
Gross Profit		2,188,846
Other Income		-
Distribution Expenses		-
Administrative Expenses		<u>(153,878)</u>
Results from Operating Activities		2,034,967
Finance Income		-
Finance Costs		(727,299)
Net Finance Income / (Costs)		<u>(727,299)</u>
Profit / (Loss) Before Tax		1,307,669
Tax Expense		-
Profit / (Loss) for the Year		<u><u>1,307,669</u></u>
Basic and diluted Earnings / (Loss) Per Share		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 2013

19th May 2014

STATEMENT OF FINANCIAL POSITION

ASSETS	Note	As at 31-Mar-14 US\$	As at 31-Dec-13 US\$
Non-Current Assets			
Property, Plant and Equipment		124,466	121,720
Lease rent equalization - Sub lease		66,929,904	63,188,209
Trade and Other Receivables		1,896,748	1,896,748
Total Non-Current Assets		68,951,118	65,206,677
Current Assets			
Inventories		249,075	249,075
Trade and Other Receivables		10,214,768	13,141,414
Cash and Cash Equivalents		34,254,353	883,853
Asset of disposal Group classified as held for sale		-	33,333,333
Total Current Assets		44,718,196	47,607,675
Total Assets		113,669,315	112,814,352
EQUITY AND LIABILITIES			
Equity			
Share Capital		26,527,123	26,527,123
Share Premium		264,011	264,011
Retained Earnings		(22,269,729)	(23,577,398)
Total Equity		4,521,405	3,213,736
Non-Current Liabilities			
Deferred Tax Liabilities		11,979	11,980
Lease rent equalization - Head Lease		5,165,442	5,134,809
Sub Lease Advances		53,054,543	76,509,673
Total Non-Current Liabilities		58,231,964	81,656,462
Current Liabilities			
Loans and Borrowings		17,494,739	17,494,739
Trade and Other Payables		33,421,207	10,449,415
Total Current Liabilities		50,915,946	27,944,154
Total Liabilities		109,147,910	109,600,616
Total Equity and Liabilities		113,669,315	112,814,352

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 2013

19th May 2014

STATEMENT OF CAHS FLOW

FOR THE PERIOD ENDED

Note	Period 31-Mar-14 US\$
Cash Flows From Operating Activities	
Profit / (Loss) Before Tax	1,307,669
Adjustments for:	
Depreciation	2,372
Reclassification to Comprehensive Income	
Change in Inventories	-
Change in Trade and Other Receivables	(815,049)
Change in Trade and Other Payables	(452,705)
Changes in amount to related parties	0
Cash Generated from/(Used in) Operating Activities	769,584
Interest Paid	(727,299)
Net Cash Generated from/(Used in) Operating Activities	42,285
Cash Flows from Investing Activities	
Purchase of Property, Plant and Equipment	(5,118)
Sale of Disposal group assets	33,333,333
Net Cash used in Investing Activities	33,328,215
Cash Flows from Financing Activities	
Repayment of Loans and Borrowings	-
Dividends Paid	-
Net Cash flows Used in Financing Activities	-
Net Decrease in Cash and Cash Equivalentents	33,370,500
Cash and Cash Equivalentents at the beginning of the year	883,853
Cash and Cash Equivalentents at the end of the year	34,254,353

Figures in brackets indicate deductions.

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19th May 2014