

**MALDIVES TRANSPORT AND CONTRACTING
COMPANY PLC**

Financial Statements - 31 December 2024

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 Bhatray FCA, Prasanta Misra FCA, Mohamed Siraj Muneer FCA

Regd. Office: H.Thandiraimage, 3rd floor, Roshanee Magu, Malé, Republic of Maldives. Reg. No.: P-0689/1980

Key audit matter	How our audit addressed the Key audit matter
The Company and the Group:	
Construction contract revenue	Specific work that we performed on the
Refer to the material accounting policy notes 2.12 and 2.23 to the financial statements.	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:
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.	<ul style="list-style-type: none">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.
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.	

Key audit matter	How our audit addressed the Key audit matter
<p data-bbox="256 303 810 439">The Company and the Group: Impairment of trade receivables, receivables from related parties, contract assets and retention receivable</p> <p data-bbox="256 476 810 545">Refer to material accounting policy Note 2.10 (iv) and Note 3.1 to the financial statements.</p> <p data-bbox="256 577 810 1118">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.</p> <p data-bbox="256 1155 810 1425">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.</p> <p data-bbox="256 1461 810 1698">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.</p>	<p data-bbox="815 303 1353 411">Our audit procedures of this matter included the following:</p> <ul data-bbox="863 426 1353 1785" style="list-style-type: none"><li data-bbox="863 426 1353 728">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.<li data-bbox="863 756 1353 1095">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.<li data-bbox="863 1123 1353 1360">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.<li data-bbox="863 1388 1353 1785">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.

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.

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.

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

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Licensed Partner: Mohamed Siraj Muneer

License No : ICAM-IL-DZK

2 June 2025

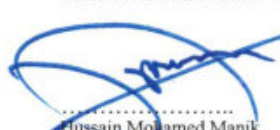
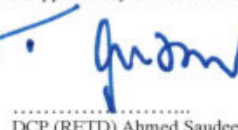
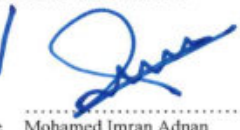
MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC
Financial statements - 31 December 2024

Statement of financial position

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	Group		Company	
		Year ended 31 December		2024	2023
		2024	2023	2024	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
		<u>1,945,635,322</u>	<u>2,148,305,841</u>	<u>1,947,811,401</u>	<u>2,150,860,440</u>
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
		<u>3,488,590,138</u>	<u>3,564,236,281</u>	<u>3,488,104,418</u>	<u>3,563,727,221</u>
Total assets		<u>5,434,225,460</u>	<u>5,712,542,122</u>	<u>5,435,915,819</u>	<u>5,714,587,661</u>
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		<u>1,745,011,496</u>	<u>1,766,286,924</u>	<u>1,746,719,568</u>	<u>1,768,353,899</u>
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
		<u>382,060,201</u>	<u>559,468,722</u>	<u>382,060,201</u>	<u>559,468,722</u>
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
		<u>3,307,153,763</u>	<u>3,386,786,476</u>	<u>3,307,136,050</u>	<u>3,386,765,040</u>
Total liabilities		<u>3,689,213,964</u>	<u>3,946,255,198</u>	<u>3,689,196,251</u>	<u>3,946,233,762</u>
Total equity and liabilities		<u>5,434,225,460</u>	<u>5,712,542,122</u>	<u>5,435,915,819</u>	<u>5,714,587,661</u>

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

Hussain Mohamed Manik
 Chief Financial Officer

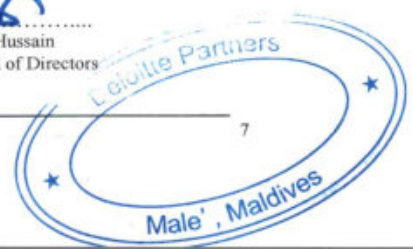
DCP (RETD) Ahmed Saudee
 Managing Director

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		Company	
		Year ended 31 December			
		2024	2023	2024	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.



MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

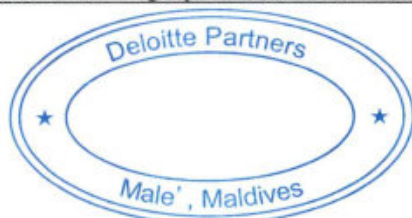
Financial statements - 31 December 2024

Statement of comprehensive income

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	Group		Company	
		Year ended 31 December			
		2024	2023	2024	2023
Profit after tax for the year		45,209,937	97,125,922	44,851,034	96,606,344
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss</i>					
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		<u>(10,221,122)</u>	<u>10,441,483</u>	<u>(10,221,122)</u>	<u>10,441,483</u>
Total comprehensive income for the year		<u>34,988,815</u>	<u>107,567,405</u>	<u>34,629,912</u>	<u>107,047,827</u>

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



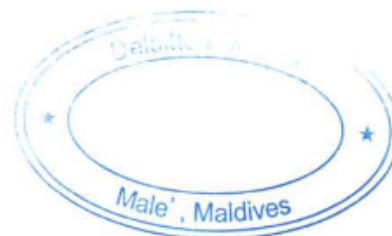
MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC
Financial statements - 31 December 2024

Statement of changes in equity - 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.



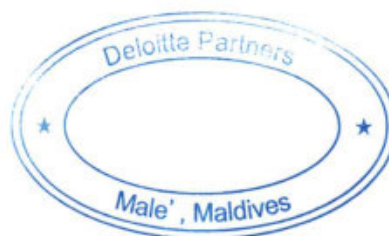
MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC
Financial statements - 31 December 2024

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

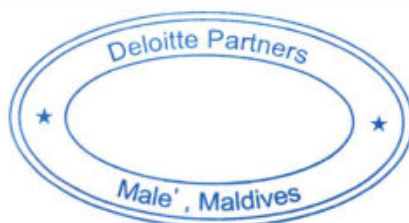
Financial statements - 31 December 2024

Statement of cash flows

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	Group		Company	
		Year ended 31 December		2024	2023
		2024	2023	2024	2023
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.



MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

Financial statements - 31 December 2024

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).

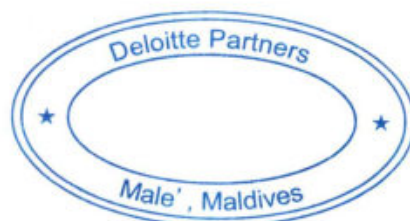
(ii) Historical cost convention

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



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)

(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.

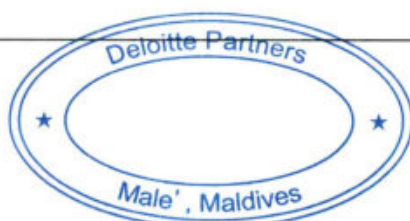
Inter-company transactions, balances and unrealised gains on transactions between group company are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiary has been changed where necessary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



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)

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

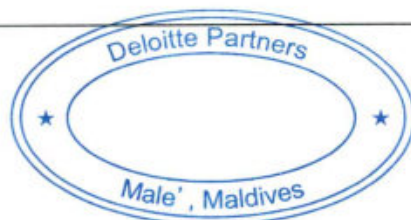
All property, plant and equipment, which are initially recorded at historical cost, is stated at cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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



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)

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.

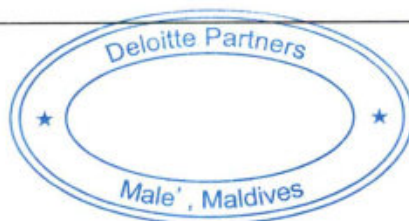
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

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



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)

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:

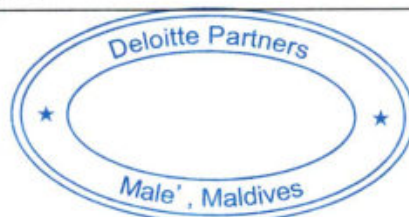
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- 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.



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)

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).

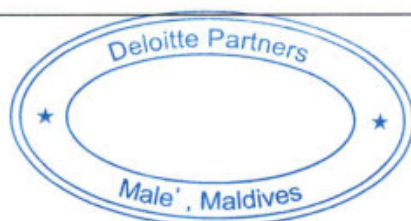
The group reclassifies debt investments when and only when its business model for managing those assets changes.

(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.



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)

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

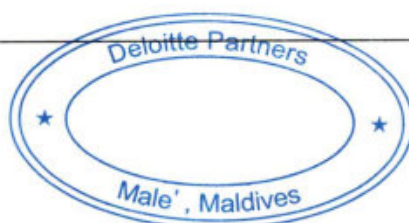
The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the 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.



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)

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.

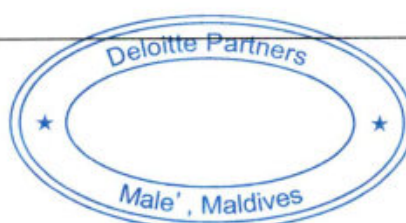
When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

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.



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)

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

Financial statements - 31 December 2024

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

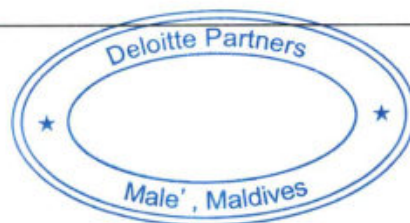
Provisions are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

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.



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)

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

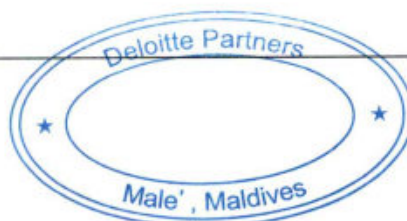
The Group generates revenue from the construction and dredging projects, provision of transport service to the general public and for personal hires, trading in products related to marine transport and construction, provision of logistics services, docking and maintenance services and real estate. Other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



MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

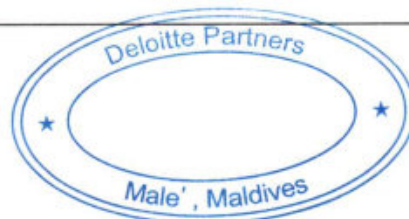
Financial statements - 31 December 2024

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

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.



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Financial statements - 31 December 2024

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.

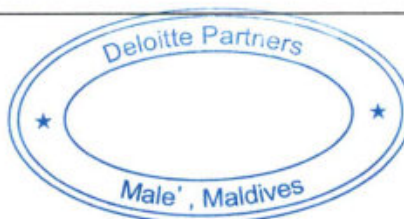
Critical accounting estimates and judgements

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.



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Notes to the financial statements (continued)

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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.

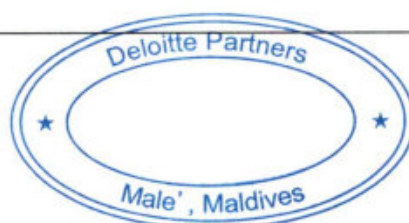
(ii) Security

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



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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 presumption 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).

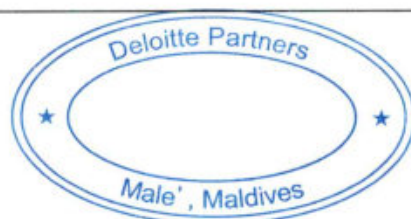
Economic variable assumptions

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.



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Notes to the financial statements (continued)

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3 Financial risk management (continued)

Group	-1%	GDP No change	+1%
	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		Company	
	Carrying amount		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



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Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

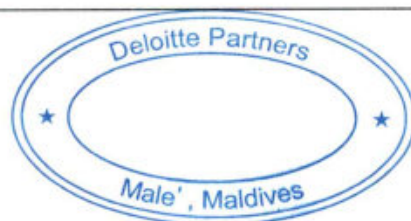
The following table provides information about the Group's exposure to credit risk and ECLs for non-interest bearing trade receivables, contract assets and retention receivable from contract for non government customers segment.

	Weighted average loss rate	Group	
		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.

	Weighted average loss rate	Company	
		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.



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Notes to the financial statements (continued)

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3 Financial risk management (continued)

	Weighted average loss rate	Group	
		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

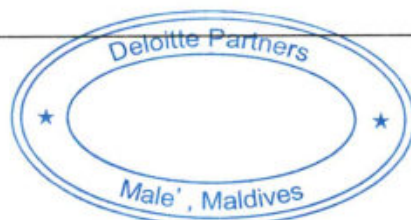
Not past due	0.24%	1,297,844,747	3,050,005
61-180 days	4.30%	22,906,834	985,819
181-365 days	5.00%	6,202,171	310,109
More than 365 days	16.62%	159,426,390	26,489,484
		1,486,380,142	30,835,416

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.

	Weighted average loss rate	Company	
		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



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Notes to the financial statements (continued)

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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

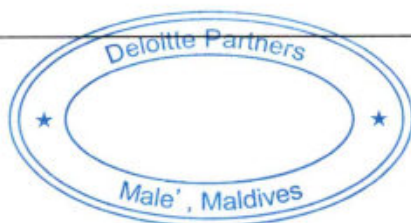
The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired when the borrower is more than 90 days past due states on its contractual payments.

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.



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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 thereof.

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.

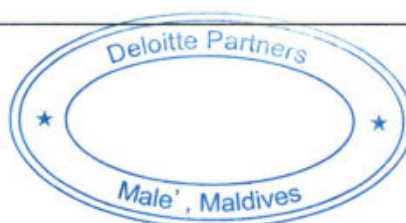
Forecasted GDP growth rates

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%



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Notes to the financial statements (continued)

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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.

	+1%	GDP 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

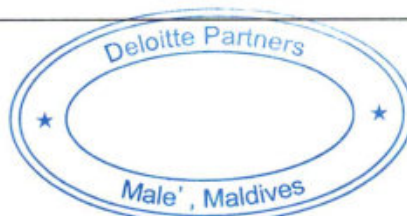
Impairment losses

	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.



MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

Financial statements - 31 December 2024

Notes to the financial statements (continued)

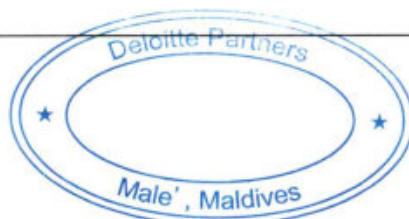
(all amounts in Maldivian Rufiyaa unless otherwise stated)

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:

Receivables under tawmil taksit credit schemes	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life time ECL	Life time ECL	
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

Receivables under tawmil taksit credit schemes	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life time ECL	Life time ECL	
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



MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

Financial statements - 31 December 2024

Notes to the financial statements (continued)

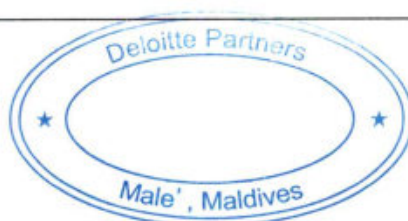
(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

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

Receivables under tawmil taksit credit schemes	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life time ECL	Life time ECL	
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)
<i>Transfers:</i>				
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

Receivables under tawmil taksit credit schemes	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life time ECL	Life time ECL	
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)
<i>Transfers:</i>				
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



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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:

	<u>2024</u>	<u>2023</u>
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	<u>3,658,377</u>	<u>3,700,392</u>

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.

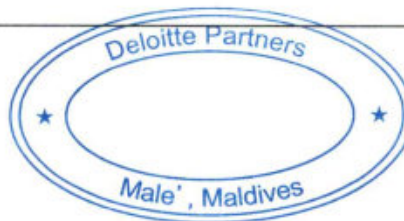
Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept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



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)

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.

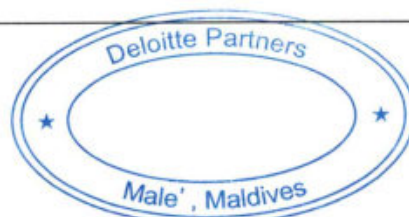
In addition, the group maintains MVR 30,840,000 overdraft facility that is secured.

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	Contractual cash flows			
	Carrying amount	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	Contractual cash flows			
	Carrying amount	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



MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

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Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

3 Financial risk management (continued)

Company 31 December 2024	Contractual cash flows			
	Carrying amount	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	Contractual cash flows			
	Carrying amount	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.

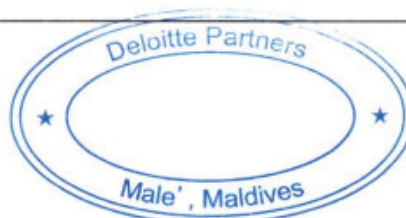
The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	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.



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)

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

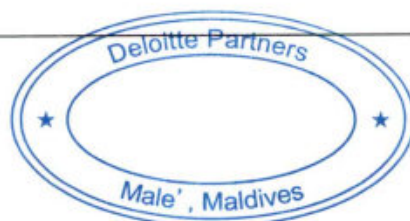
Sensitivity analysis

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 $\pm 20\%$ of the mid-point of exchange rate.



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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

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	
	2024	2023
Fixed-rate instruments		
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.

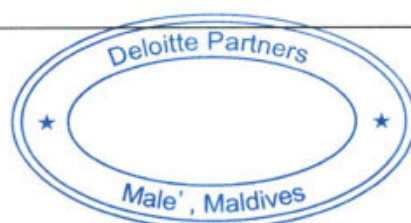
Cash flow sensitivity analysis for variable-rate instruments

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%



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)

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%

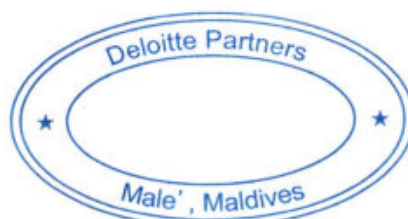
The reason for decrease in gearing ratio is mainly due to decrease in net debt during the year compared to previous year.

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)



MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

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Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

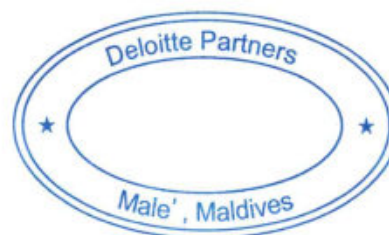
3.5 Accounting classifications and fair values

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.



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Notes to the financial statements (continued)

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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:

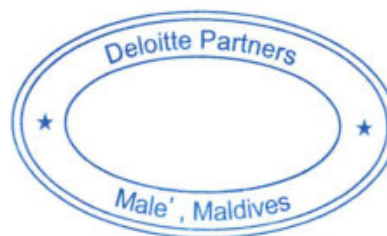
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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.



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Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

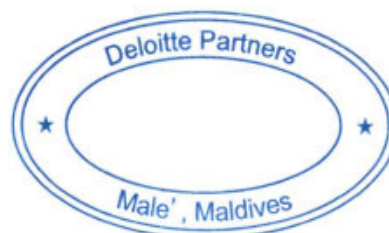
3.5 Accounting classifications and fair values (continued)

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			Total	Fair value			Total
		FVOCI equity instruments	Financial assets at amortized cost	Financial liabilities at amortized cost		Level 1	Level 2	Level 3	
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.



MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

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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 (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:

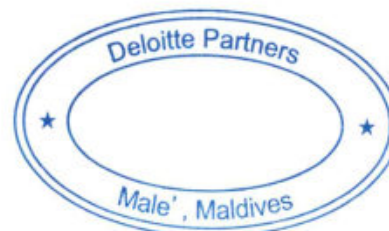
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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.



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)

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

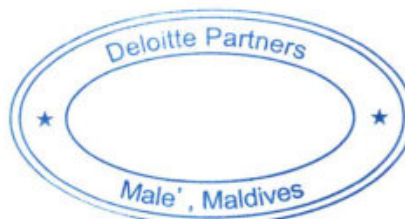
The areas involving significant estimates or judgements are:

- 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
	<u>266,848,174</u>	<u>1,721,109,188</u>	<u>148,846,916</u>	<u>19,974,038</u>	<u>2,156,778,316</u>
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
	<u>283,767,914</u>	<u>2,752,150,822</u>	<u>145,070,311</u>	<u>20,662,218</u>	<u>3,201,651,265</u>



MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

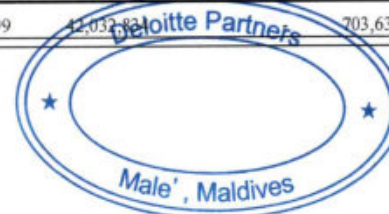
Financial statements - 31 December 2024

Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

6 Property, plant and equipment - 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	12,032,833	-	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 (Dhoshha, 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 lorries, 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		Company	
	2024	2023	2024	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

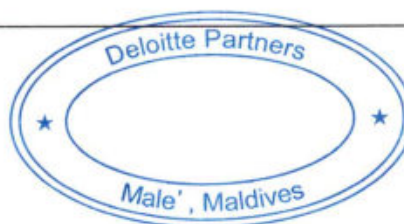
Investment properties are accounted for in accordance with the cost model as set out in IAS 16 Property, Plant and Equipment – cost less accumulated depreciation and less accumulated impairment losses.

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

	Group		Company	
	2024	2023	2024	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.



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)

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

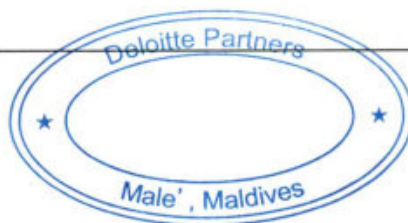
The statement of financial position shows the following amounts relating to leases:

Right-of-use assets	Group		Company	
	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

Lease liabilities	Group		Company	
	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:



MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

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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)

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).

Interest expense included in finance costs
(Note 21)

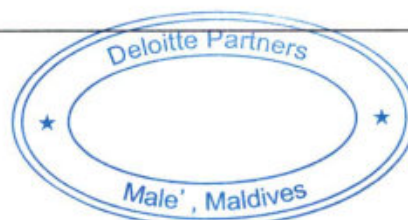
	(12,328,983)	(14,661,796)	(12,328,983)	(14,661,796)
	(12,328,983)	(14,661,796)	(12,328,983)	(14,661,796)

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

At 01 January	Group		Company	
	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 amortisation period of 5 years.



MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

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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 impairment	(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



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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	Movement		
	Opening balance	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

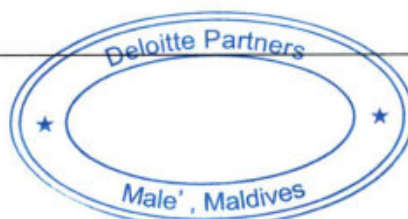
	Group		Company	
	2024	2023	2024	2023
Balance as at 1 January	87,228,144	72,266,110	87,228,144	72,266,110
Amounts recognized in profit and loss	24,652,573	16,804,649	24,652,573	16,804,649
Amounts recognized in OCI				
- Financial assets at FVOCI	2,957,796	(821,610)	2,957,796	(821,610)
- Effect on employee 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



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)

11 Contract assets, trade and other receivables

Financial assets	Group		Company	
	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 [Note 28 (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
<i>Classified as:</i>				
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).



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)

11 Contract assets, trade and other receivables (continued)

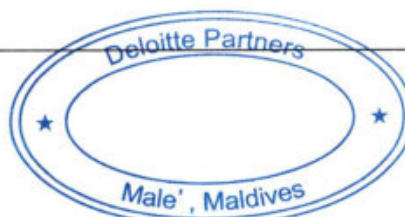
The Group provision for trade and other receivables comprise collective provision for trade receivables amounting to MVR 66,252,543 (2023: MVR 54,457,328), contract assets amounting to MVR 531,083 (2023: MVR 963,428), retention receivables amounting to MVR 2,484,975 (2023: MVR 969,032), provision for 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



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)

11 Contract assets, trade and other receivables (continued)

	Group		Company	
	2024	2023	2024	2023
Maturity of the tawmil taksit scheme:				
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
	<u>19,330,106</u>	<u>18,188,085</u>	<u>19,330,106</u>	<u>18,188,085</u>

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)
	<u>668,334,382</u>	<u>950,404,090</u>	<u>668,334,382</u>	<u>950,404,090</u>

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	<u>25,005,399</u>	<u>52,840,523</u>	<u>24,490,417</u>	<u>52,324,470</u>

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:

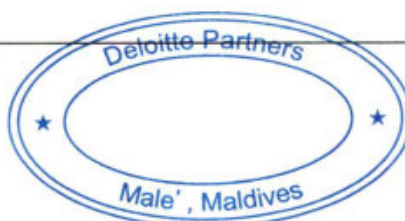
	2024	2023	2024	2023
Cash and cash equivalents	25,005,399	52,840,523	24,490,417	52,324,470
Bank overdrafts (Note 15)	(17,062,421)	(29,272,836)	(17,062,421)	(29,272,836)
	<u>7,942,978</u>	<u>23,567,687</u>	<u>7,427,996</u>	<u>23,051,634</u>

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	<u>8,037,749</u>	<u>40,188,745</u>
At 31 December 2024	<u>8,037,749</u>	<u>40,188,745</u>

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.



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)

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

Non-current	Group		Company	
	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

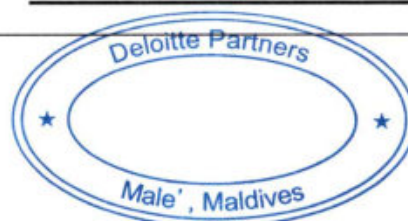
Demand loans, bank overdraft, LC facilities and bank guarantees from the banks and other financial institutions are secured over MTCC Tower (MVR 74,059,210), Rentals Plaza (MVR 198,100,000), MTCC building land (MVR 42,000,000), Sawmill Building Leasehold rights (MVR 12,352,000), barges (Dhosha (22,143,120), 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:

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



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)

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

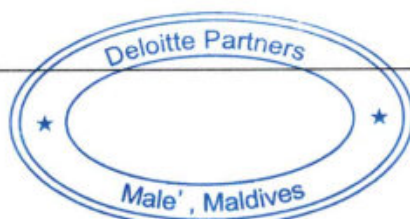
Terms and conditions of loans are set out in Note 28.

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
<i>Classified as:</i>				
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.



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)

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:

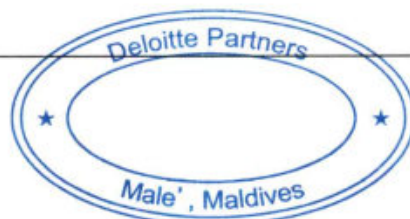
	Group		Company	
	2024	2023	2024	2023
<i>Amount recognized in profit or loss (Note 20)</i>				
Current service cost	11,429,256	10,063,877	11,429,256	10,063,877
Interest cost	1,695,728	1,540,144	1,695,728	1,540,144
	13,124,984	11,604,021	13,124,984	11,604,021

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



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)

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.

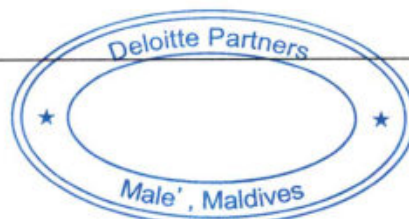
	Group / Company			
	2024		2023	
	Liability	Change	Liability	Change
1% increase in salary inflation rate	42,328,290	755,544	37,606,347	742,684
1% decrease in salary inflation rate	40,899,832	(672,914)	36,209,871	(653,792)
1% increase in discount rate	39,284,176	(2,288,570)	34,630,228	(2,233,435)
1% decrease 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



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)

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

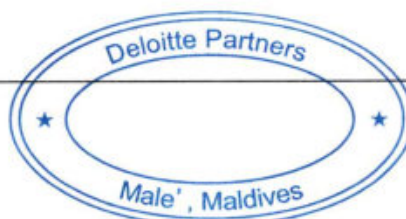
The analysis was performed based on the duration of service by each individual employee.

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



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)

17 Contract liabilities, trade and other payables (continued)

Company as at 31 December 2024

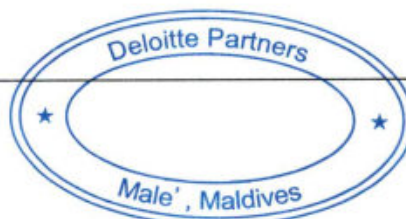
Period of service in years	Number of employees	Retirement benefit obligation	Current service cost
Less than 12 months	472	-	-
Between 1-4 years	2,609	1,097,681	760,787
Between 5-9 years	567	1,110,504	492,224
Between 10-14 years	309	4,099,866	1,139,092
Between 15-19 years	266	30,049,006	7,906,253
20 years 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



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)

18 Other income

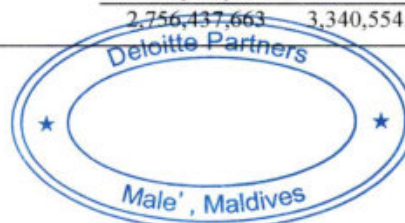
	Group		Company	
	2024	2023	2024	2023
Other income	17,424,808	25,358,865	17,424,808	25,188,994
Dividend income	10,954,800	8,763,840	10,954,800	8,763,840
Rent income	21,710,668	13,751,392	21,710,668	13,751,392
Compensation received from Government	349,278,397	-	349,278,397	-
Tawmil taksit profit	1,752,434	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 receivables	-	1,840,497	-	1,840,497
Reversal of provision for defects liability	-	692,501	-	692,501
	<u>401,188,005</u>	<u>53,718,454</u>	<u>401,188,005</u>	<u>53,548,583</u>

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	<u>2,756,437,663</u>	<u>3,340,554,901</u>	<u>2,756,803,801</u>	<u>3,340,918,108</u>



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)

19 Expenses (continued)

	Group		Company	
	2024	2023	2024	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 receivables	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:

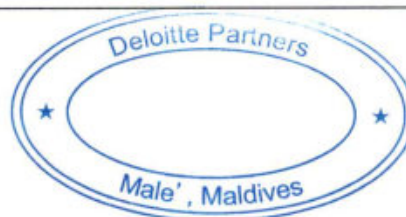
- cost of sales	1,955,396,090	2,524,542,417	1,955,396,090	2,524,542,417
- selling and marketing expenses	7,517,154	6,985,120	7,517,154	6,985,120
- administrative expenses	346,970,578	373,391,885	347,336,716	373,755,092
- other operating expenses	69,138,046	61,801,454	69,130,811	61,787,954
- Impairment loss on financial and contract assets	12,836,799	10,935,673	12,836,799	10,935,673
Total	2,391,858,667	2,977,656,549	2,392,217,570	2,978,006,256

20 Employee benefit expense

	Group		Company	
	2024	2023	2024	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
Total	749,048,656	759,981,728	749,048,656	759,981,728

21 Finance costs (net)

	Group		Company	
	2024	2023	2024	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
Total	125,209,114	173,977,430	125,209,114	173,977,430



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)

21 Finance costs (net) - continued

	Group		Company	
	2024	2023	2024	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)
	<u>(8,709,025)</u>	<u>(11,614,249)</u>	<u>(8,709,025)</u>	<u>(11,614,249)</u>
Net finance costs	116,500,089	162,363,181	116,500,089	162,363,181

22 Tax expense

	Group		Company	
	2024	2023	2024	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)
	<u>4,397,628</u>	<u>18,224,067</u>	<u>4,397,628</u>	<u>18,224,067</u>

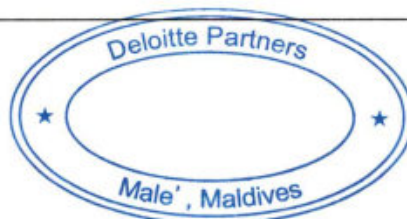
Reconciliations between income tax expenses and the accounting profit :

	Group		Company	
	2024	2023	2024	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
	<u>9,302,244</u>	<u>21,126,785</u>	<u>9,302,244</u>	<u>21,126,785</u>
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	<u>4,397,628</u>	<u>18,224,067</u>	<u>4,397,628</u>	<u>18,224,067</u>
Income tax payable:				
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	<u>80,024,393</u>	<u>50,974,192</u>	<u>80,024,393</u>	<u>50,974,192</u>

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		Company	
	2024	2023	2024	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)	<u>5.62</u>	<u>12.08</u>	<u>5.58</u>	<u>12.02</u>



MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

Financial statements - 31 December 2024

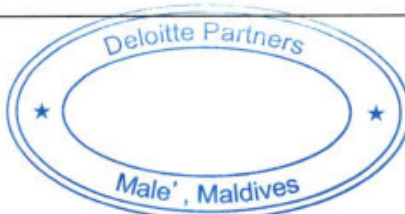
Notes to the financial statements (continued)

(all amounts in Maldivian Rufiyaa unless otherwise stated)

24 Cash generated from operations

Reconciliation of profit for the year to cash generated from operations:

	Group		Company	
	2024	2023	2024	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:				
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

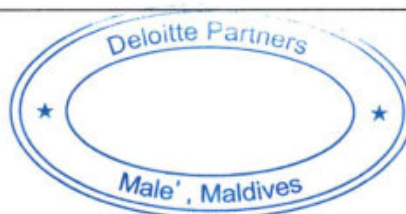
Capital commitment amounting MVR 12,217,277 was outstanding as at 31 December 2024 (2023: MVR 46,469,852).

Lease commitments where right-of-use assets and lease liability not recognised:

	Group		Company	
	2024	2023	2024	2023
	Less than one year MVR	Less than one year MVR	Less than one year MVR	Less than one year MVR
<i>Lease rentals falling:</i>				
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.



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)

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:

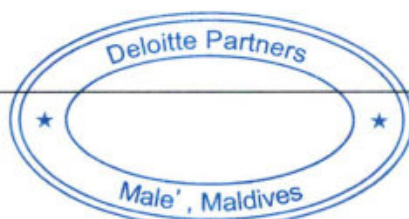
	Group		Company	
	2024	2023	2024	2023
Construction revenue	1,446,474,771	3,003,892,885	1,446,474,771	3,003,892,885
Trading revenue	87,580,145	59,185,033	87,580,145	59,185,033
Others sales and services	17,015,991	73,153,530	17,015,991	73,153,530
Government subsidy	349,278,397	459,942,836	349,278,397	459,942,836
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



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)

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 (Fully owned subsidiary)	Purchase of goods and services	-	-		
	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
	<u>184,802,118</u>	<u>184,802,118</u>	<u>184,802,118</u>	<u>184,802,118</u>

	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	<u>184,802,118</u>	<u>184,802,118</u>	<u>184,802,118</u>	<u>184,802,118</u>

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.



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)

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 acquisition 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

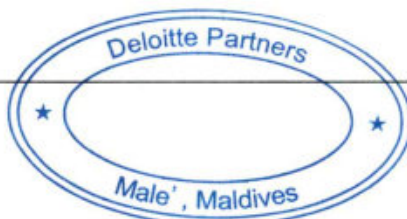
The amount payable to MPL is unsecured, carries no interest and payable on a monthly equal installments over the period of 10 years, and classified as follows;

	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.



MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

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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.

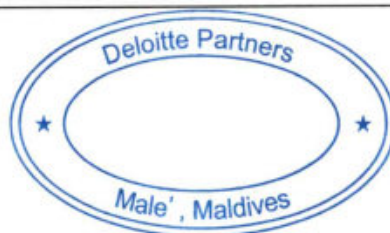
Construction and Dredging segments were aggregated into a single operating business segment considering earnings releases from the same clients, quarterly & other external reports (MMA surveyors) and based on the information which regularly reviewed by the management and board of directors.

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



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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:

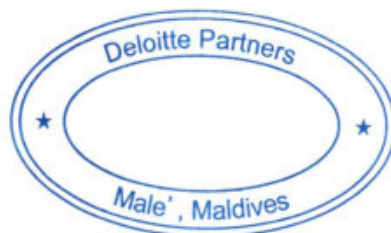
	Trading	Construction and Dredging	Transport	Real estate	Others	Total
Year ended 31 December 2024						
Depreciation (Note 6)	2,442,667	256,022,430	65,278,808	-	22,930,673	346,674,578
Impairment loss on financial and contract assets (Note 11)	-	12,836,799	-	-	-	12,836,799
Provision for obsolete inventory (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



MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC

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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.

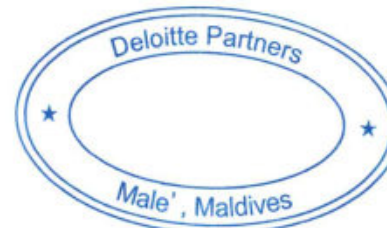
Construction and Dredging segments were aggregated into a single operating business segment considering earnings releases from the same clients, quarterly & other external reports (MMA surveyors) and based on the information which regularly reviewed by the management and board of directors.

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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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:

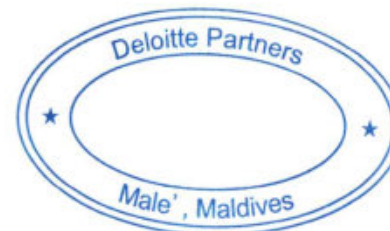
	Trading	Construction and Dredging	Transport	Others	Total
Year ended 31 December 2024					
Depreciation (Note 6)	2,442,667	256,022,430	65,278,808	22,930,673	346,674,578
Impairment loss on financial and contract assets (Note 11)	-	12,836,799	-	-	12,836,799
Provision for obsolete inventory (Note 19)	-	9,476,751	-	(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)

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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.

