



Report No: FIN-2025-107(E)

10 September 2025

# Fahi Dhiriulhun Corporation Limited

## Financial Year 2024



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AUDITOR GENERAL'S OFFICE

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AUDITOR GENERAL'S OFFICE



## **AUDITOR GENERAL'S REPORT**

### **TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF FAHI DHIRIULHUN CORPORATION LIMITED**

#### **Opinion**

We have audited the financial statements of Fahi Dhiriulhun Corporation Limited (the “Company”), which comprise the statement of financial position as at December 31, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information set out in pages 10 to 43.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) Accounting Standards.

#### **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 in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (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 the auditor’s opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures

performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>1- Borrowings recorded in the financial statements</b></p> <p>The Company has recorded borrowings of MVR 2,544,145,717 as of the year ended December 31, 2024.</p> <p>The Company entered into significant facility agreements to finance the construction of its Social Housing Projects. The accounting for the associated finance costs is complex due to the variable interest rate structure of the borrowings.</p> <p>With repayments commencing during the year ended December 31, 2024, there is an increased risk of non-compliance with financial covenants, which could have a material impact on the financial statements.</p> <p>Consequently, we have considered borrowings to be a key audit matter.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• We have obtained direct balance confirmations from the Export-Import Bank of India and reconciled these with the amounts recorded in the financial statements to ensure accuracy and completeness.</li> <li>• We have reviewed the interest advice statements received subsequent to the year end and determined the accuracy of interest payable accrued as of the year end.</li> <li>• We have evaluated the appropriateness and completeness of the disclosures related to borrowings in the financial statements, ensuring their compliance with IFRS 7 - Financial Instruments: Disclosures.</li> <li>• We have assessed the Company's compliance with both affirmative and negative covenants stipulated in the borrowing agreements to ensure adherence to all terms and conditions.</li> <li>• We have conducted substantive testing on the amounts capitalized under 'Inventories – Properties Under Construction,' particularly focusing on interest and other borrowing costs. We tested that the accounting treatment aligns with the guidelines set forth in IAS 23 - Borrowing Costs.</li> <li>• We have reviewed the repayments made for borrowings and verified that repayments were made as scheduled in the agreement.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p><b>2- Net realisable value of inventories – properties under construction</b></p> <p>The Company has recorded inventories – properties under construction of MVR 4,672,314,185 as of the year ended December 31, 2024.</p> <p>Inventories – properties under construction are measured at the lower of cost and net realisable value (NRV). NRV is the estimated selling price in the ordinary course of business and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>Revenue from sale of inventories is expected to be received over a period of 25 years from the date of completion of construction. Considering the inventories – properties under construction are under construction, management has made an estimate in relation to expected time and further costs to be incurred for completion of construction.</p> <p>Based on the NRV assessment, the Company has accounted an amount of MVR 176,658,992 as impairment loss due to excess of cost over net realisable value.</p> <p>Considering significant assumptions, involved in estimating net realisable value which comprise of expected cost to be incurred for completion, the future sale value and the rate of discounting, we have considered the determination of NRV as a key audit matter.</p>	<p>Our audit procedures included, among others:</p> <p>In order to test the estimate of future cost for completion of the project we have performed the following procedures:</p> <ul style="list-style-type: none"> <li>• We have obtained the interim payment certificates from the project management team certifying the work completed as of the year end and the related cost.</li> <li>• We have discussed with the management including the project management team, the basis of determination of project completion period and the related cost with detailed breakdown.</li> <li>• We challenged the management assumptions in the determination of the cost.</li> <li>• We have assessed the qualification and competency of the project management team.</li> </ul> <p>In order to test the selling price and the period of collection, we have performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Traced to the expected selling price and the tenure of payment as declared by the government for each type of unit.</li> <li>• Recomputed the gross sale value by applying the selling price declared by the government to the total number of units.</li> <li>• Tested the amortisation of sales proceeds for the tenure.</li> <li>• In order to test the net realisable value (NRV) computation, we have performed the following procedures:</li> <li>• We have assessed the basis of the determination of discounting factor.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li data-bbox="767 282 1353 443">• We have recomputed the NRV determination and the expected loss to be incurred based on the assessment carried out by the management.</li> <li data-bbox="767 472 1353 584">• We have ensured adequate disclosure under IAS 2 - Inventories in the financial statements.</li> </ul>

## **Responsibilities of the Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, 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, management is responsible for assessing the Company'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 or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 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 based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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, action 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 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.

10<sup>th</sup> September 2025



Hussain Niyazy  
Auditor General

**FAHI DHIRIULHUN CORPORATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

as of 31<sup>st</sup> December 2024

All amounts are stated in Maldivian Rufiyaa

	Note	31-Dec-24 MVR	31-Dec-23 MVR
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	6	5,731,968	6,690,046
Intangible assets	7	658,264	880,591
Right of use assets	8	3,449,045	4,639,386
Deferred tax asset	26	17,012,272	-
		<b>26,851,549</b>	<b>12,210,023</b>
<b>Current Assets</b>			
Inventories - properties under construction	9	4,672,314,185	2,266,536,181
Inventories	10	261,409	403,084
Other receivables	11	173,253,230	433,108,016
Due from related party	12	822,493	-
Cash and cash equivalents	13	22,802,976	10,939,738
		<b>4,869,454,293</b>	<b>2,710,987,019</b>
<b>TOTAL ASSETS</b>		<b>4,896,305,842</b>	<b>2,723,197,042</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and Reserves</b>			
Share capital	14	1,964,942,836	535,845,601
Advance for shares	15	290,667,277	157,654,511
Accumulated losses		(275,620,603)	(70,113,040)
		<b>1,979,989,510</b>	<b>623,387,072</b>
<b>Non-Current Liabilities</b>			
Borrowings	16	2,266,299,401	1,494,311,058
Lease liabilities	17	3,762,001	4,135,828
Deferred tax liability	27	63,949	-
		<b>2,270,125,351</b>	<b>1,498,446,886</b>
<b>Current Liabilities</b>			
Borrowings	16	277,846,316	126,414,508
Lease liabilities	17	373,827	1,089,562
Trade and other payables	18	365,779,991	473,719,922
Due to related party	19	2,190,847	139,092
		<b>646,190,981</b>	<b>601,363,084</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,896,305,842</b>	<b>2,723,197,042</b>

We draw your attention to accounting policies and notes on page 10 through 43, which are an integral part of the financial statements.

These financial statements were approved by the Board of Directors and signed on its behalf by

**For and on behalf of the Board of Directors:**

Name	Designation	Signature
1. Nashwa Abdulla	Chairman	 Nashwa Abdulla (Sep 7, 2025 11:29:00 GMT+5)
2. Hamdhan Shakeel	Managing Director	 Hamdhan Shakeel (Sep 7, 2025 10:19:22 GMT+5)

September 3, 2025







**FAHI DHIRIULHUN CORPORATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31<sup>st</sup> December 2024**

## **1. Corporate Information**

The financial statements of Fahi Dhiriulhun Corporation Limited (the "Company") for the year ended December 31, 2024, were authorized for issue in accordance with a resolution of the directors on August 25, 2025. The Company is a limited company incorporated on March 25, 2019, as a limited liability Company under Presidential Decree No. 02/2019 and domiciled in the Republic of Maldives. The Government of Maldives holds 100% shares of the Company.

The registered office of the Company is Ministry of Housing, Land and Urban Development, Ameenee Magu, Male', the Republic of Maldives.

The Company is principally engaged in providing various classes of housing projects, at an affordable price, under a single roof to provide a better standard of living for the citizens of the Maldives. The Company is also engaged in the provision of design and project management consultancy services.

## **2. Basis of preparation**

### **2.1. Statement of Compliance**

The Individual financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

### **2.2. Basis of Preparation**

The individual financial statements of the Company have been prepared based on the historical costs basis except for certain financial assets and financial liabilities that have been measured at fair value.

### **2.3. Functional and Presentation Currency**

The financial statements are presented in Maldivian Rufiyaa, which is the Company's functional currency. All information presented in Maldivian Rufiyaa has been rounded to nearest Rufiyaa except for otherwise indicated.

### **2.4. Going Concern**

The Company's management made an assessment of its ability to continue using the basis of the principle of going concern and came to the conviction that it has the resources to continue its activity for the foreseeable future. In addition, management is not aware of any material certainty that might cast doubt on the Company's ability to continue as a going concern. Consequently, these financial statements have been prepared on the basis of the going concern principle.

## **3. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

### **3.1. Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

### **3. Significant accounting judgements, estimates and assumptions (Continued...)**

#### **3.1. Judgements (Continued...)**

##### **3.1.1. Leases**

The Company applied the following judgements that significantly affect the determination of the amount and timing of income from lease contracts:

➤ **Determination of the lease term:**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

As a lessee, the Company has a lease contract for the use of office space that includes an extension and a termination option. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, The Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise, or not to exercise, the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

##### **3.1.2 Interest rate benchmark reform**

➤ **Economically equivalent:**

IBOR reform Phase 2 requires, as a practical expedient, for changes to the basis for determining contractual cash flows that are necessary as a direct consequence of IBOR reform to be treated as a change to a floating rate of interest, provided the transition from IBOR to an RFR takes place on a basis that is 'economically equivalent'. To qualify as 'economically equivalent', the terms of the financial instrument must be the same before and after transition except for the changes required by IBOR reform.

##### **3.1.3 Income taxes**

➤ **Recognition of deferred income tax assets:**

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgment regarding future financial performance of a particular entity in which the deferred income tax asset has been recognised in accordance with the accounting policy stated in note 5.13.

### **3.2. Estimates and Assumptions**

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### **3. Significant accounting judgements, estimates and assumptions (Continued...)**

#### **3.2. Estimates and Assumptions (Continued...)**

##### **3.2.1. Leases - Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available.

##### **3.2.2. Estimated construction progress of Inventories – properties under construction**

The Company capitalises costs relating to inventories - properties under construction as inventory based on the estimated stage of completion of work performed by contractors. The stage of completion is determined using a certification-based method, whereby work completed is assessed and certified by the Company's Project Management Department, which comprises qualified engineers and quantity surveyors.

The Project Management Department reviews RFIs (Requests for Inspection) and supporting documentation submitted by contractors, performs on-site inspections, and updates total estimated costs and completion dates as necessary. Changes in these estimates could have a material impact on the carrying value of properties under construction and the amount of borrowing costs capitalised up to the expected date of completion.

##### **3.2.3. Net Realisable Value of Inventories – properties under construction – estimating the discount factor used for selling price**

Inventories – properties under construction are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The recognition of revenue from inventories – properties under construction is based on a lease term of 25 years. Accordingly, management has discounted the estimated selling price to its present value. Significant judgment is required in selecting the appropriate discount rate and in estimating the expected completion dates of the properties, as both assumptions directly affect the discounted selling price and, consequently, the extent of any inventory write down.

Where the discount factor used to determine the discounted selling price of the inventories – properties under construction are higher by 1% from management's estimates, the amount of write down of inventories recognised in the year would be increased by MVR 485,822,796. Where the discount factor is lower by 1%, a write down would not have been recognised.

##### **3.2.4 Estimated useful lives of Property Plant and Equipment (PPE) and intangible assets**

The Company reviews annually the estimated useful lives of PPE and intangible assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of PPE and intangible assets would increase the recorded depreciation and amortization charge and decrease the carrying value in accordance with the accounting policy stated in note 5.5 and 5.6

#### 4. Standards, Interpretations and amendments to existing standards

The following new accounting standards, interpretations, and amendments to existing standards have been published by IASB and are mandatory for the accounting period beginning on January 1, 2024, or later.

##### 4.1. New Standards, amendments, and Interpretations effective from January 1, 2024.

A number of other new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Company's financial statements.

Standard / Interpretation	Description	Effective for annual years beginning on or after
IAS 1	Amendment - Non-current liabilities with covenants	1 January 2024
IAS 1	Amendment - Classification of liabilities as current or non-current	1 January 2024
IFRS 16	Amendment - Lease liability in sales and leaseback	1 January 2024
IAS 7 and IFRS 17	Amendment - Supplier finance arrangements	1 January 2024

##### 4.2. New Standards, amendments and revised IFRS issued but not yet effective

The Company has not early applied the following new and revised IFRSs and amendments that have been issued but are not yet effective.

Standard / Interpretation	Description	Effective for annual years beginning on or after
IAS 21	Amendment - Lack of exchangeability	1 January 2025
IFRS 9	Amendments - Classification and measurement of financial instruments	1 January 2026
IFRS 9 and 7	Amendments - Contracts referencing nature-dependent electricity	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

Management anticipates that these new interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Company in the year of initial application.

## **5. Summary of material accounting policies**

### **5.1. Current vs Non-Current Classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

### **5.2. Transactions in foreign currencies**

Transactions in foreign currencies are translated to Maldivian Rufiyaa at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated to Maldivian Rufiyaa at the foreign exchange rate ruling as at that date. Foreign exchange differences arising on translations are recognized in the profit or loss.

Non-monetary assets and liabilities, which are stated at historical cost, denominated in foreign currencies are translated to Maldivian Rufiyaa at the exchange rates ruling at the date of transaction. Non-monetary assets and liabilities, which are stated at fair value, denominated in foreign currencies are translated to Maldivian Rufiyaa at the foreign exchange rates ruling at the dates that the fair value was determined.

### **5.3. Borrowing Cost**

Borrowing costs directly attributable to the acquisition or construction of an inventory property that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalization commences when:

1. The Company incurs expenditures for the asset.
2. The Company incurs borrowing costs; and
3. The Company undertakes activities that are necessary to prepare the asset for its intended use or sale.

All other borrowing costs are expensed in the period in which they occur.

## **5. Summary of material accounting policies (Continued...)**

### **5.3. Borrowing Cost (Continued...)**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using The Company's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized; 1) from the commencement of the project until the date of practical completion, i.e., when substantially all the development work is completed and 2) when the loan drawdown is part of the condition of the commencement. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted.

### **5.4. Inventories - property under construction**

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventories – property under construction, and is measured at the lower of cost and net realisable value (NRV).

Principally, this is residential property that the Company develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for development
- Borrowing costs during construction
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

### **5.5. Property Plant and Equipment**

#### **5.5.1 Recognition and Measurement**

Items of property, plant and equipment except freehold land are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other gains in profit or loss.

#### **5.5.2 Subsequent Costs**

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

## **5. Summary of material accounting policies (Continued...)**

### **5.5. Property Plant and Equipment (Continued...)**

#### **5.5.3 Depreciation**

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

- Furniture and fittings 5 years
- Computer and office equipment 5 years
- Vehicles 10 years
- Plant and machinery 10 years
- Leasehold improvements Shorter of useful life and remaining lease term

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. The charge for the depreciation commences from the month in which the Property, Plant and equipment are recognized in profit or loss as incurred.

#### **5.5.4 Capital Work in Progress**

Capital work in progress is stated at cost and includes all development expenditure and other direct costs attributable to such projects. Capital work in progress is not depreciated until its completion of construction and the asset is put into use upon which the cost of completed construction works is transferred to the appropriate category of property, plant and equipment.

### **5.6. Intangible assets**

#### **5.6.1 Recognition and Measurement**

Other intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

#### **5.6.2 Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

#### **5.6.3 Amortization**

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected patterns of consumption of the future economic benefits embodied in the assets. The estimated useful lives for the current and comparative periods are as follows:

- Computer Software 5 years

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## **5. Summary of material accounting policies (Continued...)**

### **5.7. Employee Benefits**

A defined contribution plan is a post-employment benefit plan under which Company makes a fixed contribution. The Company pays 7% fixed contributions to employee provident fund. Contributions are made for all Maldivian staff members on their last agreed basic salary. The obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

### **5.8. Fair value measurement**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### **Measurement of Fair values**

The Company has an established control framework with respect to the measurement of fair values. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### **5.9. Cash and short-term deposits**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### **5.10. Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **5.10.1 Company as a lessee**

The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets for all leases, except for short-term leases and leases of low-value assets.

##### **5.10.1.1 Right-of-use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

## **5. Summary of material accounting policies (Continued...)**

### **5.10. Leases (Continued...)**

#### **5.10.1.1 Right-of-use assets (Continued...)**

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. In such cases, The Company reviews the estimated residual values and expected useful lives of assets at least annually. In particular, The Company considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

The right-of-use assets are also subject to impairment. Refer to accounting policies on impairment on non-financial assets in this note.

#### **5.10.1.2 Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. IFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset

#### **5.10.1.3 Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## **5.11. Financial instruments**

### **5.11.1 Recognition and initial measurement**

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (Unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL (fair value through profit or loss), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

## **5. Summary of material accounting policies (Continued...)**

### **5.11. Financial instruments (Continued...)**

#### **5.11.2 Classification and subsequent measurement**

##### **Financial assets**

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI (fair value through other comprehensive income) - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **Financial assets- Business Model Assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to the management.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

##### **Financial assets - Assessment Whether Cash Flows are Solely Payments of Principal and Interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

#### **5.11.3 Financial assets - Subsequent measurement and gains and losses**

##### **Financial Assets at Amortized Cost**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest Income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

## **5. Summary of material accounting policies (Continued...)**

### **5.11. Financial instruments (Continued...)**

#### **5.11.4 Financial liabilities - Classification, subsequent measurement gains and losses**

Financial Liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

#### **Interest Rate Benchmark Reform**

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis - i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applied the policies on accounting for modifications to the additional changes.

#### **5.11.5 Derecognition**

##### **Financial assets**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of the ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not de-recognized.

##### **Financial liabilities**

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

## **5. Summary of material accounting policies (Continued...)**

### **5.11. Financial instruments (Continued...)**

#### **5.11.6 Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### **5.12. Impairment**

#### **5.12.1 Non-derivative financial assets**

##### **Financial Instruments**

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment that includes forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

##### **Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### **Credit-impaired financial assets**

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit -impaired includes the following observable data:

- significant financial difficulty of the debtor.
- a breach of contract such as a default.
- it is probable that the debtor will enter bankruptcy or other financial reorganization.

## **5. Summary of material accounting policies (Continued...)**

## **5.12. Impairment (Continued...)**

### **5.12.1 Non-derivative financial assets (Continued...)**

#### **Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

### **5.12.2 Non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## **5.13. Tax Expense**

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

### **5.13.1 Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

### **5.13.2 Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax assets are recognized for unused tax losses. Unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

## **5. Summary of material accounting policies (Continued...)**

### **5.13. Tax Expense (Continued...)**



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**6 Property, plant and equipment**

<b>6.1 Cost</b>	<b>Balance As at 1-Jan-24 MVR</b>	<b>Additions  MVR</b>	<b>Disposals  MVR</b>	<b>Balance As at 31-Dec-24 MVR</b>
Computer and office equipment	4,211,885	540,966	8,420	4,744,431
Vehicle	2,369,820	-	-	2,369,820
Plant and machinery	109,187	-	-	109,187
Furniture and fittings	1,141,091	-	17,510	1,123,581
Leasehold improvements	1,133,022	-	-	1,133,022
	<b>8,965,005</b>	<b>540,966</b>	<b>25,930</b>	<b>9,480,041</b>
<b>6.2 Depreciation</b>	<b>Balance As at 1-Jan-24 MVR</b>	<b>Charge for the period  MVR</b>	<b>Disposals  MVR</b>	<b>Balance As at 31-Dec-24 MVR</b>
Computer and office equipment	1,425,204	904,087	4,912	2,324,379
Vehicle	235,022	237,462	-	472,484
Plant and machinery	14,623	10,919	-	25,542
Furniture and fittings	403,864	221,151	13,922	611,093
Leasehold improvements	196,246	118,329	-	314,575
	<b>2,274,959</b>	<b>1,491,948</b>	<b>18,834</b>	<b>3,748,073</b>
<b>Net book value</b>	<b>6,690,046</b>			<b>5,731,968</b>
<b>6.3 Cost</b>	<b>Balance As at 1-Jan-23 MVR</b>	<b>Additions  MVR</b>	<b>Disposals  MVR</b>	<b>Balance As at 31-Dec-23 MVR</b>
Computer and office equipment	2,762,851	1,474,877	25,843	4,211,885
Vehicle	995,180	1,374,640	-	2,369,820
Plant and machinery	109,187	-	-	109,187
Furniture and fittings	978,760	162,331	-	1,141,091
Leasehold improvements	1,133,022	-	-	1,133,022
	<b>5,979,000</b>	<b>3,011,848</b>	<b>25,843</b>	<b>8,965,005</b>
<b>6.4 Depreciation</b>	<b>Balance As at 1-Jan-23 MVR</b>	<b>Charge for the year  MVR</b>	<b>Disposals  MVR</b>	<b>Balance As at 31-Dec-23 MVR</b>
Computer and office equipment	697,986	750,046	22,828	1,425,204
Vehicle	50,716	184,306	-	235,022
Plant and machinery	3,704	10,919	-	14,623
Furniture and fittings	192,134	211,730	-	403,864
Leasehold improvements	77,917	118,329	-	196,246
	<b>1,022,457</b>	<b>1,275,330</b>	<b>22,828</b>	<b>2,274,959</b>
<b>Net book value</b>	<b>4,956,543</b>			<b>6,690,046</b>

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**7 Intangible assets**

<b>7.1 Cost</b>	<b>Balance As at 1-Jan-24 MVR</b>	<b>Additions MVR</b>	<b>Disposals MVR</b>	<b>Balance As at 31-Dec-24 MVR</b>
Computer software	1,138,483	5,400	-	1,143,883
	<b>1,138,483</b>	<b>5,400</b>	<b>-</b>	<b>1,143,883</b>
<b>7.2 Amortisation</b>	<b>Balance As at 1-Jan-24 MVR</b>	<b>Charge for the period MVR</b>	<b>Disposals MVR</b>	<b>Balance As at 31-Dec-24 MVR</b>
Computer software	257,892	227,727	-	485,619
	<b>257,892</b>	<b>227,727</b>	<b>-</b>	<b>485,619</b>
<b>Net book value</b>	<b>880,591</b>			<b>658,264</b>
<b>7.3 Cost</b>	<b>Balance As at 1-Jan-23 MVR</b>	<b>Additions MVR</b>	<b>Disposals MVR</b>	<b>Balance As at 31-Dec-23 MVR</b>
Computer software	211,043	927,440	-	1,138,483
	<b>211,043</b>	<b>927,440</b>	<b>-</b>	<b>1,138,483</b>
<b>7.4 Amortisation</b>	<b>Balance As at 1-Jan-23 MVR</b>	<b>Charge for the year MVR</b>	<b>Disposals MVR</b>	<b>Balance As at 31-Dec-23 MVR</b>
Computer software	95,377	162,515	-	257,892
	<b>95,377</b>	<b>162,515</b>	<b>-</b>	<b>257,892</b>
<b>Net book value</b>	<b>115,666</b>			<b>880,591</b>
<b>8 Right of use asset</b>				
<b>8.1 Cost</b>	<b>Balance As at 1-Jan-24 MVR</b>	<b>Additions MVR</b>	<b>Disposals MVR</b>	<b>Balance As at 31-Dec-24 MVR</b>
Maldives Post Limited	4,313,600	540,984	-	4,854,584
Apollo Towers Hulhumale'	4,869,240	-	-	4,869,240
	<b>9,182,840</b>	<b>540,984</b>	<b>-</b>	<b>9,723,824</b>

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**8 Right of use asset (Continued...)**

8.2 Amortisation	Balance As at 1-Jan-24 MVR	Charge for the year MVR	Disposals MVR	Balance As at 31-Dec-24 MVR
Maldives Post Limited	3,577,654	1,276,930	-	4,854,584
Apollo Towers Hulhumale'	965,800	454,395	-	1,420,195
	<b>4,543,454</b>	<b>1,731,325</b>	<b>-</b>	<b>6,274,779</b>
<b>Net book value</b>	<b>4,639,386</b>			<b>3,449,045</b>
8.3 Cost	Balance As at 1-Jan-23 MVR	Additions MVR	Disposals MVR	Balance As at 31-Dec-23 MVR
Maldives Post Limited	3,051,977	1,261,623	-	4,313,600
Apollo Towers Hulhumale'	4,869,240	-	-	4,869,240
	<b>7,921,217</b>	<b>1,261,623</b>	<b>-</b>	<b>9,182,840</b>
8.4 Depreciation	Balance As at 1-Jan-23 MVR	Charge for the year MVR	Disposals MVR	Balance As at 31-Dec-23 MVR
Maldives Post Limited	2,458,537	1,119,117	-	3,577,654
Apollo Towers Hulhumale'	482,900	482,900	-	965,800
	<b>2,941,437</b>	<b>1,602,017</b>	<b>-</b>	<b>4,543,454</b>
<b>Net Book Value</b>	<b>4,979,780</b>			<b>4,639,386</b>

**8.5** The Company has obtained lease for an office space from Maldives Post Limited, with a lease term of three years. The original lease term ends in 2023 with the option to renew the lease for an additional term of five years. The lease was extended in 2023 till July of 2024 and the lease was renewed on July 31, 2024 for an additional 5 month till end of December 2024.

During the year 2022, Company also obtained additional lease for an office space from Apollo Tower Hulhumale', with a lease term of ten years. The original lease term ends in 2032 with the option to renew the lease by mutual agreement. The lease includes restrictions on assigning, subleasing or sharing the possession of the leased asset.

The Company's rights over its leases are secured against the lease titles.

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**9 Inventories - properties under construction**

	<b>Balance As at 1-Jan-24 MVR</b>	<b>Additions during the year MVR</b>	<b>Transfers / Write downs MVR</b>	<b>Balance As at 31-Dec-24 MVR</b>
Construction of social housing units	2,266,536,181	2,582,436,996	(176,658,992)	4,672,314,185
<b>Total</b>	<b>2,266,536,181</b>	<b>2,582,436,996</b>	<b>(176,658,992)</b>	<b>4,672,314,185</b>
	<b>Balance As at 1-Jan-23 MVR</b>	<b>Additions during the year MVR</b>	<b>Transfers MVR</b>	<b>Balance As at 31-Dec-23 MVR</b>
Construction of social housing units	915,031,715	1,351,504,466	-	2,266,536,181
<b>Total</b>	<b>915,031,715</b>	<b>1,351,504,466</b>	<b>-</b>	<b>2,266,536,181</b>

Amounts inventorized under inventories - properties under construction consist of costs incurred on the construction of 2,000 Social Housing Units under Fahi Dhiriulhun KPIL Housing Project and 2,000 Social Housing Units under Fahi Dhiriulhun NBCC Housing Project.

**9.1** On November 18, 2024, under the civil court decision 294-CVCHD-2024, the Company has received the land titles and recognised a value of MVR 1,035,609,119 under inventories - properties under construction.

**9.2** During the year 2024, MVR 2,582,436,996 (2023: MVR 1,351,504,466) has been inventorized under inventories - properties under construction. This amount represents the gross value of work completed, the value of land capitalised in the year 2024 and costs incurred during the year for the borrowings undertaken for the construction of social housing units during the year 2024.

	<b>31-Dec-24 MVR</b>	<b>31-Dec-23 MVR</b>
<b>Kalpataru Projects International (India) Limited: Design and Construction of 2,000 Social Housing Units in Hulhumale', Maldives*</b>		
Opening balance	1,317,853,181	517,811,256
Value of construction work completed during the year	642,669,224	714,237,883
Finance cost inventorized	114,677,553	69,766,735
Loan facility fees	13,216,180	16,037,307
Completion works	738,025	-
<b>Closing balance</b>	<b>2,089,154,163</b>	<b>1,317,853,181</b>
<b>National Buildings Construction Corporation Limited (India) Limited: Design and Construction of 2,000 Social Housing Units in Hulhumale', Maldives*</b>		
Opening balance	948,399,667	396,937,126
Value of construction work completed during the year	680,237,295	485,828,364
Finance cost inventorized	79,403,279	54,459,964
Loan facility fees	15,148,295	11,174,213
Completion works	738,025	-
<b>Closing balance</b>	<b>1,723,926,561</b>	<b>948,399,667</b>
Land titles	Note 9.1 1,035,609,119	-
Consultancy expenses	283,333	283,333
Write down of inventories	Note 9.3 (176,658,992)	-
<b>Total</b>	<b>4,672,314,184</b>	<b>2,266,536,181</b>

\*Construction costs also include certain commercial units, in addition to the social housing units.

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**9 Inventories - properties under construction (Continued...)**

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>MVR</b>	<b>MVR</b>
<b>9.2 Write down of inventories</b>		
Opening balance	-	-
Write down of inventories during the year	176,658,992	-
Reversals during the year	-	-
<b>Closing balance</b>	<b>176,658,992</b>	<b>-</b>

The Company has carried out an assessment of the Net Realisable Value (NRV) of inventories presented under Note 9 Inventories - properties under construction. NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to complete the project and costs incurred on the project to date. Inventories have to be presented lower of cost and NRV. It was identified that the costs exceeded NRV by an amount of MVR 176,658,992. Consequently a write down of inventories was recognised for the year ended December 31, 2024.

**10 Inventories**

Inventories - Office Items	261,409	403,084
<b>Total</b>	<b>261,409</b>	<b>403,084</b>

**11 Other receivables**

Funds receivable	<i>Note 11.1</i> 15,875,615	70,425,356
Contractor advances	<i>Note 11.2</i> 152,180,169	362,256,619
Contractor tax relief claimed from Ministry	3,540,481	-
Prepaid expense and other advances	357,258	323,938
Security deposits	1,076,400	-
Advance payments with suppliers	96,175	97,470
GST receivable	127,132	-
Staff loans	-	4,633
<b>Total</b>	<b>173,253,230</b>	<b>433,108,016</b>

**11.1** Funds receivable includes amounts to be received from Ministry of Construction and Infrastructure for 15% equity contribution towards the progress payments of KPIL (India) and NBCC (India) social housing projects, as well as loan facility fees payable for the Company's borrowings.

**11.2** Contractor advance consists of advance payments secured against performance guarantees / advance payment bonds, paid to contractors at the commencement of the project and advance payments paid to contractors for materials at site, deductible from future progress claims made by contractors against project milestones achieved as per the agreement.

**Advance payments for social housing projects**

Opening balance	244,578,842	525,806,309
Recoveries made during the year	(199,200,404)	(281,227,467)
<b>Closing balance</b>	<b>45,378,438</b>	<b>244,578,842</b>

**Advance payments for materials at site**

Opening balance	117,677,777	31,170,406
Advance payments made during the year	129,064,964	186,698,277
Recoveries made during the year	(139,941,010)	(100,190,906)
<b>Closing balance</b>	<b>106,801,731</b>	<b>117,677,777</b>

**Total**

<b>152,180,169</b>	<b>362,256,619</b>
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**FAHI DHIRIULHUN CORPORATION LIMITED**  
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For the year ended 31<sup>st</sup> December 2024

All amounts are stated in Maldivian Rufiyaa

	<u>31-Dec-24</u> MVR	<u>31-Dec-23</u> MVR
<b>12 Due from related party</b>		
Ministry of Housing, Land and Urban Development	822,493	-
<b>Total</b>	<b>822,493</b>	<b>-</b>
<b>13 Cash and cash equivalents</b>		
Cash at bank	22,778,948	10,930,360
Cash in hand	24,028	9,378
<b>Total</b>	<b>22,802,976</b>	<b>10,939,738</b>

**14 Share capital**

**14.1 Authorized share capital**

Authorized Share Capital comprises of 240,000,000 (2023 : 200,000,000) ordinary shares with a par value of MVR 10 each (2023: MVR 10 each). On December 25, 2024, the Board of Directors, through Board Resolution BR-62/2024, approved an increase in the Company's authorized share capital by MVR 400,000,000, comprising 40,000,000 additional shares with a nominal value of MVR 10 each.

**14.2 Issued share capital**

Issued and paid up share capital comprises of 196,458,690 (2023: 53,584,558) ordinary shares of MVR 10 (2023: MVR 10) each . The Company is fully owned by the Government of Maldives.

Issued share capital (196,494,282 / 53,584,558 Ordinary shares of MVR 10 each)	1,964,942,836	535,845,601
<b>Total</b>	<b>1,964,942,836</b>	<b>535,845,601</b>

The total authorised number of ordinary shares is 240,000,000 (2023: 200,000,000) shares with a par value of MVR 10 per share (2023: MVR 10). The Company has issued 142,909,724 shares during the year 2024 (2023: 16,493,653 shares).

**15 Advance for share capital**

Opening balance	157,654,511	-
Advance for share capital recognised	1,562,110,001	322,591,045
Shares allotted	(1,429,097,235)	(164,936,534)
<b>Total</b>	<b>290,667,277</b>	<b>157,654,511</b>

During the year 2024, the Company has recognised MVR 1,562,110,001 (2023: MVR 322,591,045) as capital contribution from the Government of Maldives as part of equity payment for housing projects and to pay facility fees of the related borrowings. During the year 2024, shares have been allotted for MVR 1,429,097,235 (2023: MVR 164,936,534) and has been recognised as share capital.

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**FAHI DHIRIULHUN CORPORATION LIMITED**  
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	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>MVR</b>	<b>MVR</b>
<b>16 Borrowings</b>		
Opening balance	1,620,725,566	1,105,799,518
Disbursements during the year	1,049,834,659	514,926,048
Repayments	(126,414,508)	-
<b>Closing balance</b>	<b>2,544,145,717</b>	<b>1,620,725,566</b>

**Export-Import Bank of India (EXIM) - KPIL 2,000 social housing units**

The Company has entered into a credit facility arrangement of USD 116,450,000 (MVR 1,795,659,000) from Export-Import Bank of India (EXIM) on September 23, 2021, for the purpose of financing 85% of the contract value of 2,000 housing units developed under KPIL-FDC housing project. Disbursements of the credit facility are received based on the construction progress. The loan repayment will commence on June 8, 2025. The loan is to be repaid over a period of 15 years including 3.5 years of grace period. The annual interest rate of the loan is SOFR + 325 basis points.

This loan is secured against the Sovereign Guarantee of the Government of Maldives.

**Export-Import Bank of India (EXIM) - NBCC 2,000 social housing units**

The Company has entered into a credit facility arrangement of USD 110,500,000 (MVR 1,703,910,000) from Export-Import Bank of India (EXIM) on September 23, 2021, for the purpose of financing 85% of the contract value of 2,000 housing units developed under NBCC-FDC housing project. Disbursements of the credit facility are received based on the construction progress. The loan repayment will commence on June 14, 2024. The loan is to be repaid over a period of 15 years including 2.5 years of grace period. The annual interest rate of the loan is SOFR + 325 basis points.

This loan is secured against the Sovereign Guarantee of the Government of Maldives.

**16.1 Loan covenants**

In accordance with the Buyer's Credit Facility of USD 116,450,000 and USD 110,500,000 loans, the Company has agreed to the following Affirmative and Negative Covenants.

**Affirmative covenants**

The Company has agreed to utilize the Credit Facility for financing execution of the Contract, comply and do all that is necessary as per laws and regulations of Maldives in order to enable the Company to enter into the Credit Agreement and Escrow Agreement and perform as required, promptly inform EXIM bank of any events that is or may lead to default, promptly inform EXIM Bank of any claims that made against the Company or its assets that may adversely affect the financial condition or ability to perform its obligations under the credit agreement, settle or ensure the settlement of all legitimate claims that could potentially burden the borrower's assets, revenues, income, or profits unless the claims are genuinely contested where necessary provisions should be made in the financial statements, ensure that its obligations will be direct, unconditional and ranking at least Pari-passu with all other unsecured obligations and to designate a process agent as required by EXIM Bank.

**Negative covenants**

The Company is required to follow several covenants including restriction on merger or consolidate with any other entity, not take any step with a view to effect liquidation, may not purchase or redeem any of its issued shares or reduce its share capital or make a distribution of assets or capital to its shareholders, not declare dividend or any other income distribution to shareholders if an event of default, may not materially change the nature of its business or sell, transfer, deal with or dispose any part of business unless in good consideration in the ordinary course of its business, should not create any charge over all or any part of its property, assets or revenues unless such a charge is contemporaneously created in favour of Exim Bank, except (i) any possessory lien arising by operation of law in the ordinary course of its business (ii) a charge affecting any property, assets or revenues which does not form part of the property pertaining to the project.

With regard to the above covenants, the Company has not defaulted on any of the clauses.

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		<b>31-Dec-24</b>	<b>31-Dec-23</b>
		<b>MVR</b>	<b>MVR</b>
<b>16.2 Maturity analysis</b>			
<b>Non- Current</b>			
Long term loan NBCC EXIM		864,211,676	519,267,973
Long term KPIL EXIM		<u>1,402,087,725</u>	<u>975,043,085</u>
		<b><u>2,266,299,401</u></b>	<b><u>1,494,311,058</u></b>
<b>Current</b>			
Long term loan NBCC EXIM		131,070,000	126,414,508
Long term KPIL EXIM		<u>146,776,316</u>	<u>-</u>
		<b><u>277,846,316</u></b>	<b><u>126,414,508</u></b>
<b>Total borrowings</b>		<b><u>2,544,145,717</u></b>	<b><u>1,620,725,566</u></b>
The repayment of non-current liabilities are scheduled as follows:			
More than one year, less than two years		280,708,250	343,381,316
More than two years, less than three years		280,708,250	280,708,250
More than three years, less than four years		280,708,250	280,708,250
More than four years		<u>1,424,174,651</u>	<u>589,513,242</u>
		<b><u>2,266,299,401</u></b>	<b><u>1,494,311,058</u></b>
<b>17 Lease liability</b>			
Opening balance		5,225,390	5,371,837
New leases recognised	Note 8.5	540,984	1,261,623
Accrued interest	Note 24	460,037	518,636
Interest paid		(460,037)	(518,636)
Principal element of lease paid		<u>(1,630,546)</u>	<u>(1,408,070)</u>
<b>Closing balance</b>		<b><u>4,135,828</u></b>	<b><u>5,225,390</u></b>
Current lease liability		373,827	1,089,562
Non current lease liability		<u>3,762,001</u>	<u>4,135,828</u>
<b>Total</b>		<b><u>4,135,828</u></b>	<b><u>5,225,390</u></b>

Set out above are the carrying amounts of lease liabilities and the movements during the period.

The right of use assets associated with lease liabilities are disclosed in note 8.5

The maturity analysis of lease liabilities are disclosed in Note 36.3.

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 34.

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	Note 8.2	1,731,325	1,602,017
Interest expense on lease liabilities	Note 24	460,037	518,636
<b>Total</b>		<b><u>2,191,362</u></b>	<b><u>2,120,653</u></b>

The Company had a total cash outflow for leases of MVR 2,090,583 (2023: MVR 1,926,707).

The Company has lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

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		<b>31-Dec-24</b>	<b>31-Dec-23</b>
		<b>MVR</b>	<b>MVR</b>
<b>18 Trade and other payables</b>			
Trade payables		207,179,857	396,026,177
Retention payable	Note 18.1	102,072,350	65,151,707
Interest payable		16,751,154	12,339,770
Loan from contractor		1,075,963	-
Customer deposits		308,964	-
Accrued expenses		37,478,266	139,754
Advance payments received from customers		807,542	-
Other payables		105,895	62,514
<b>Total</b>		<b>365,779,991</b>	<b>473,719,922</b>

**18.1** The Company has entered into construction contracts with KPIL (India) and NBCC (India) Limited for social housing projects. As per clause 14.3 of the agreements entered into for the aforementioned projects, Company is required to retain 5% of the contract price as retention. Retention payables represent amounts withheld from payments to the contractors pending the satisfactory completion of contractual obligations.

As of December 31, 2024, the Company is required to maintain retention payable of MVR 90,500,854 (2023: 58,367,393) for KPIL social housing project and MVR 83,972,179 (2023: MVR 49,960,314) for NBCC social housing project, for a total retention payable of MVR 174,473,033.

For KPIL project, in accordance with clause 14.3 of the contract agreement, the Company has released 4% of retention held in exchange for retention money guarantees obtained by the contractor with the Company as a beneficiary. The contractor has obtained guarantees from Dhivehi Insurance for USD 2,800,000 (MVR 43,176,000) on July 3, 2023 with an updated expiry date as of the year end of February 28, 2025, and a further guarantee of USD 2,680,000 (MVR 41,325,600) on November 14, 2024 with an expiry date as of the year end of May 8, 2025, for a total guarantee value of MVR 84,501,600 (2023: MVR 43,176,000). The Company has ensured that these guarantees have been extended subsequent to the financial year end to May 8, 2026. Retention is therefore held in KPIL project to the extent that it exceeds the value of the retention guarantees.

Consequently, after considering for the retention money guarantee, the Company has retained an amount of MVR 18,100,171 (2023: MVR 15,191,393) for KPIL social housing project, and MVR 83,972,179 (2023: MVR 49,960,314) for NBCC social housing project for a total amount of MVR 102,072,350 as retention payables.

**19 Due to related party**

Fuel Supply Maldives Private Limited		5,120	4,975
Male' Water and Sewage Company Private Limited		-	2,551
Ministry of Economic Development and Trade		11,800	26,500
State Electric Company Limited		1,622,311	70,947
Dhivehi Raajjeyge Gulhun Plc		22,912	30,919
Allied Insurance Company of the Maldives Private Limited		800	3,200
Housing Development Corporation Limited		192,646	-
Maldives Post Limited		330,000	-
Waste Management Corporation Limited		5,258	-
<b>Total</b>		<b>2,190,847</b>	<b>139,092</b>

**20 Other income**

Miscellaneous Income		39,068	22,000
<b>Total</b>		<b>39,068</b>	<b>22,000</b>

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		<b>31-Dec-24</b>	<b>31-Dec-23</b>
		<b>MVR</b>	<b>MVR</b>
<b>21 Administrative expenses</b>			
Personnel cost	Note 21.1	36,388,011	23,417,257
Audit fees		97,956	116,807
Consultancy		1,076,604	1,163,745
Depreciation and amortisation	Note 6.2, 7.2, 8.2	3,451,000	3,039,859
Utilities		762,100	740,298
Advertisement		94,604	183,911
Subscriptions and fees		1,781,605	1,574,578
Travelling		-	164,133
Printing and office supplies		114,091	261,794
Small tools and equipment		35,970	18,717
Bank charges		594,223	346,057
Meals and entertainment		5,671	216
Training		64,168	107,280
Miscellaneous expenses		-	280,875
Other general administrative expenses	Note 21.2	902,825	850,792
<b>Total</b>		<b>45,368,828</b>	<b>32,266,319</b>
<b>21.1 Personnel cost</b>			
Staff salaries and allowances		34,100,096	21,777,625
Ramadan allowance		31,900	189,000
Staff visa, insurance expenses and safety expenses		1,087,963	401,555
Employee pension contributions		568,435	404,977
Board remuneration and fees		599,617	644,100
<b>Total</b>		<b>36,388,011</b>	<b>23,417,257</b>
<b>21.2 Other general administrative expenses</b>			
Repair and maintenance		72,386	156,618
Insurance		22,731	24,498
Events and ceremonies		535,150	368,110
Running costs		272,558	301,566
<b>Total</b>		<b>902,825</b>	<b>850,792</b>
<b>22 Loss arising from write down of inventories to net realisable value</b>			
Recognised during the year	Note 9.2	176,658,992	-
<b>Total</b>		<b>176,658,992</b>	<b>-</b>
<b>23 Other (loss) / gain</b>			
Gain or loss on disposal	Note 23.1	(7,097)	215
<b>Total</b>		<b>(7,097)</b>	<b>215</b>
<b>23.1 (Loss) / Gain on disposal</b>			
Cost		25,930	25,843
Accumulated depreciation		(18,834)	(22,828)
		7,096	3,015
Proceeds		-	3,230
<b>(Loss) / Gain on disposal</b>		<b>(7,097)</b>	<b>215</b>
<b>24 Finance cost</b>			
Interest on lease liabilities		460,037	518,636
<b>Total</b>		<b>460,037</b>	<b>518,636</b>

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	<u>31-Dec-24</u> <u>MVR</u>	<u>31-Dec-23</u> <u>MVR</u>
<b>25 Taxation</b>		
<b>Income Tax Credit</b>		
Current year tax loss	6,908,239	-
Recognition of deferred tax liability	(63,949)	-
Adjustment to write off irrecoverable tax losses	(313,197)	-
<b>Total</b>	<b><u>6,531,093</u></b>	<b><u>-</u></b>
<b>25.1</b>	The Income Tax Act (25/2019) of the Maldives is effective from January 1, 2020. As per the act, income tax is calculated at 15% on taxable profits for the year after adjusting tax free threshold of MVR 500,000. The company's loss for the year differs from the tax loss as follows:	
<b>Loss before tax</b>	<b>(222,455,886)</b>	<b>(32,762,740)</b>
Depreciation of non-current assets	1,719,675	1,437,843
Other disallowable expenses	178,458,669	1,494,408
Capital allowance	(1,986,085)	(1,759,086)
Other allowable expenses	(1,791,298)	(1,488,472)
<b>Tax loss for the year</b>	<b>(46,054,925)</b>	<b>(33,078,046)</b>
Tax loss brought forward	(69,448,202)	(36,685,462)
Irrecoverable tax loss written off	2,087,982	-
<b>Tax losses carried forward</b>	<b>(113,415,145)</b>	<b>(69,763,508)</b>
<b>Tax loss at 15%</b>	<b>(17,012,272)</b>	<b>(10,464,526)</b>
<b>25.2 Accumulated tax losses</b>		
Loss carried forward from the previous tax year	(69,448,202)	(36,566,956)
Irrecoverable tax loss of 2019 written off	2,087,982	-
Tax loss for the current year of assessment	(46,054,925)	(33,078,046)
<b>Total</b>	<b>(113,415,145)</b>	<b>(69,645,002)</b>
<b>26 Deferred Tax Asset</b>		
Tax losses brought forward	10,417,230	-
Current year tax loss	6,908,239	-
Adjustment to write off irrecoverable tax losses	(313,197)	-
<b>Tax losses carried forward</b>	<b><u>17,012,272</u></b>	<b><u>-</u></b>
<b>Total deferred tax asset</b>	<b><u>17,012,272</u></b>	<b><u>-</u></b>

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	<u>31-Dec-24</u> <u>MVR</u>	<u>31-Dec-23</u> <u>MVR</u>
<b>27 Deferred Tax Liability</b>		
Recognition of deferred tax liability	63,949	-
<b>Deferred tax liability carried forward</b>	<b>63,949</b>	<b>-</b>

27.1 The deferred tax liability arised from the temporary difference of non-current assets are as follows:

Non-Current Assets:	Carrying Value	Tax Base	Temporary Difference	Deferred Tax Liability
	<u>MVR</u>	<u>MVR</u>	<u>MVR</u>	<u>MVR</u>
Furniture & Fittings	1,331,271	1,609,649	278,378	41,757
Motor Vehicles	1,897,976	1,455,042	(442,934)	(66,440)
Plant & Equipment	83,645	87,349	3,704	556
Office Equipment	2,394,307	2,463,126	68,819	10,323
Computer Software	633,881	323,524	(310,357)	(46,554)
Intangible assets	23,933	-	(23,933)	(3,590)
<b>Total</b>	<b>6,365,013</b>	<b>5,938,690</b>	<b>(426,323)</b>	<b>(63,949)</b>

Deferred tax assets relating to prior years' tax losses and deferred tax liabilities arising from temporary differences on non-current assets have been recognised in the current year's financial statements, as the company is now expected to generate revenue in the coming year and the availability of future taxable profits is considered probable. The recognition of prior years' tax losses has been accounted for through an adjustment to retained earnings.

**28 Loss per share**

Basic Loss Per Share is calculated by dividing the net loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Loss for the year	(215,924,793)	(32,762,740)
Weighted average number of ordinary shares	196,494,282	53,584,558
<b>Loss per share</b>	<b>(1.1)</b>	<b>(0.6)</b>

**29 Operating loss before working capital changes**

Net loss	(222,455,886)	(32,762,740)
Gain on disposal	7,096	3,015
Depreciation and amortisation	3,451,000	3,039,862
Finance cost	460,037	518,636
Write down of inventories	176,658,992	-
<b>Total</b>	<b>(41,878,761)</b>	<b>(29,201,227)</b>

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	<u>31-Dec-24</u> MVR	<u>31-Dec-23</u> MVR
<b>30 Related party transactions</b>		
Government of Maldives is the 100% Shareholder of the Company. Transactions with entities directly or indirectly controlled by the Government of Maldives through its authorities, agencies, affiliations and other organisations, collectively referred to as government entities, are considered as related party transactions.		
<b>30.1 Due from related parties</b>		
<b>Name</b>	<b>Nature of relationship</b>	
<i>Ministry of Housing, Land and Urban Development</i>	<i>Government institute</i>	
Employee outsourcing and photography services		822,493
Payments received		-
<b>Closing balance</b>		<b>822,493</b>
<b>Total due from related parties</b>		<b>822,493</b>
<b>30.2 Due to related parties</b>		
<b>Name</b>	<b>Nature of relationship</b>	
<i>Dhivehi Raajjeyge Gulhun Plc</i>	<i>Mutual Shareholding</i>	
Telephone and internet expenses		365,362
Payments		(342,450)
<b>Closing balance</b>		<b>22,912</b>
<b>Name</b>	<b>Nature of relationship</b>	
<i>Housing development Corporation Limited</i>	<i>Mutual Shareholding</i>	
Lease deposit		770,584
Payments		(577,938)
<b>Closing balance</b>		<b>192,646</b>
<b>Name</b>	<b>Nature of relationship</b>	
<i>Ministry of Economic Development and Trade</i>	<i>Government institute</i>	
Work permit deposits		584,900
Payments		(573,100)
<b>Closing balance</b>		<b>11,800</b>
<b>Name</b>	<b>Nature of relationship</b>	
<i>Maldives Ports Limited</i>	<i>Mutual Shareholding</i>	
Rentals		1,322,550
Payments		(992,550)
<b>Closing balance</b>		<b>330,000</b>

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		31-Dec-24 MVR	31-Dec-23 MVR
<b>30</b>	<b>Related party transactions (Continued...)</b>		
<b>30.2</b>	<b>Due to related parties (Continued...)</b>		
<b>Name</b>	<b>Nature of relationship</b>		
<b><i>Male' Water and Sewerage Company Private Limited</i></b>	<b><i>Mutual Shareholding</i></b>		
Water		24,330	23,475
Payments		(24,330)	(20,924)
<b>Closing balance</b>		<b>-</b>	<b>2,551</b>
<b>Name</b>	<b>Nature of relationship</b>		
<b><i>State Trading Organisation Plc</i></b>	<b><i>Mutual Shareholding</i></b>		
General administration		-	9,546
Payments		-	(9,546)
<b>Closing balance</b>		<b>-</b>	<b>-</b>
<b>Name</b>	<b>Nature of relationship</b>		
<b><i>State Electric Company Limited</i></b>	<b><i>Mutual Shareholding</i></b>		
Electricity		416,472	350,436
Cable installation for towers		1,594,134	-
Payments		(388,295)	(279,489)
<b>Closing balance</b>		<b>1,622,311</b>	<b>70,947</b>
<b>Name</b>	<b>Nature of relationship</b>		
<b><i>Waste Management Corporation Limited</i></b>	<b><i>Mutual Shareholding</i></b>		
Garbage disposal		64,694	57,953
Payment		(59,436)	(57,953)
<b>Closing balance</b>		<b>5,258</b>	<b>-</b>
<b>Name</b>	<b>Nature of relationship</b>		
<b><i>Maldives Islamic Bank Plc</i></b>	<b><i>Mutual Shareholding</i></b>		
Staff loan		659,149	235,543
Payment		(659,149)	(235,543)
<b>Closing balance</b>		<b>-</b>	<b>-</b>
<b>Name</b>	<b>Nature of relationship</b>		
<b><i>Bank of Maldives Plc</i></b>	<b><i>Mutual Shareholding</i></b>		
Bank charges		594,223	343,982
Payments		(594,223)	(343,982)
<b>Closing balance</b>		<b>-</b>	<b>-</b>
<b>Name</b>	<b>Nature of relationship</b>		
<b><i>Fuel Supply Maldives Private Limited</i></b>	<b><i>Mutual Shareholding</i></b>		
Purchase of fuel		40,499	60,266
Payments		(35,379)	(55,291)
<b>Closing balance</b>		<b>5,120</b>	<b>4,975</b>

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For the year ended 31<sup>st</sup> December 2024

All amounts are stated in Maldivian Rufiyaa

	<u>31-Dec-24</u> MVR	<u>31-Dec-23</u> MVR
<b>30 Related party transactions (Continued...)</b>		
<b>30.2 Due to related parties (Continued...)</b>		
<b>Name</b>		
<b><i>Allied Insurance Company of the Maldives Private Limited</i></b>		
<b>Nature of relationship</b>		
<b><i>Mutual Shareholding</i></b>		
Insurance schemes	43,200	23,200
Payments	(42,400)	(20,000)
<b>Closing balance</b>	<b>800</b>	<b>3,200</b>
<b>Total due to related parties</b>	<b>2,190,847</b>	<b>139,092</b>

**31 Transactions with Key management personnel**

The Board of Directors, Managing Director and Deputy Managing Director are the members of the key management personnel. During the year end December 31, 2024, total remuneration paid to Directors including Managing Director and Deputy Managing Director was MVR 1,656,331 (2023: MVR 1,190,960).

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**32 Contingencies and commitments**

**32.1 Commitments**

The Company has entered into a tripartite agreement with Government of Maldives and Housing Development Corporation (HDC) for the purchase of land for the development of housing units. As per this agreement the Land will initially be sold to the Ministry of Finance by HDC and then transferred to the Company. As disclosed in Note 9.2, all land plots have been transferred to the Company and land titles with a value of MVR 1,035,609,119 has been recognised under inventories - properties under construction as of December 31, 2024.

During the financial year 2021, the Company has contracted with KPIL (India) and NBCC (India) Limited for the construction of social housing units with a contract price of USD 137,000,000 (MVR 2,112,540,000) and USD 130,000,000 (MVR 2,004,600,000) respectively. 85% of the contract price is financed through borrowings from Export-Import Bank of India (EXIM) and the 15% balance amount of the contract price is financed through equity contributions from Ministry of National Planning, Housing and Infrastructure.

Expenditure contracted for but not yet incurred for construction projects are as follows:

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>MVR</b>	<b>MVR</b>
KPIL (India): Design and Construction of 2,000 Social Housing units in Hulhumale', Maldives	(1,356,907,107)	(714,237,883)
NBCC (India) Limited: Design and Construction of 2,000 Social Housing units in Hulhumale'	(1,166,065,659)	(485,828,364)
<b>Total</b>	<b>(2,522,972,766)</b>	<b>(1,200,066,247)</b>

**33 Changes in liabilities arising from financing activities**

**31st December 2023**

	<b>1-Jan-23</b>	<b>Cash flows</b>	<b>Foreign exchange</b>	<b>New Leases</b>	<b>Other Movements</b>	<b>31-Dec-23</b>
	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>
Non-current portion of Interest bearing loans and borrowings	1,105,799,518	514,926,048	-	-	(126,414,508)	1,494,311,058
Current portion of Interest bearing loans and borrowings	-	-	-	-	126,414,508	126,414,508
Current portion of lease liabilities	897,617	(1,408,070)	-	1,261,623	338,392	1,089,562
Non-current portion of lease liabilities	4,474,220	-	-	-	(338,392)	4,135,828
<b>Total liabilities from financing activities</b>	<b>1,111,171,355</b>	<b>513,517,978</b>	<b>-</b>	<b>1,261,623</b>	<b>-</b>	<b>1,625,950,956</b>

**31st December 2024**

	<b>1-Jan-24</b>	<b>Cash flows</b>	<b>Foreign exchange</b>	<b>New Leases</b>	<b>Other Movements</b>	<b>31-Dec-24</b>
	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>
Non-current portion of Interest bearing loans and borrowings	1,494,311,058	1,049,834,659	-	-	(277,846,316)	2,266,299,401
Current portion of Interest bearing loans and borrowings	126,414,508	(126,414,508)	-	-	277,846,316	277,846,316
Current portion of lease liabilities	1,089,562	(1,630,546)	-	540,984	373,827	373,827
Non-current portion of lease liabilities	4,135,828	-	-	-	(373,827)	3,762,001
<b>Total liabilities from financing activities</b>	<b>1,625,950,956</b>	<b>921,789,605</b>	<b>-</b>	<b>540,984</b>	<b>-</b>	<b>2,548,281,545</b>

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**34 Capital management**

The Board of Directors monitors the return on capital and the level of dividends to ordinary shareholders.

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>MVR</b>	<b>MVR</b>
Interest bearing loans and borrowings	2,548,281,545	2,397,939,299
Trade and other payables	365,779,991	473,719,922
Due to related parties	2,190,847	139,092
Less: Cash and cash equivalents	(22,802,976)	(10,939,738)
<b>Net debt</b>	<b>2,893,449,407</b>	<b>2,860,858,575</b>
Total equity	1,979,989,510	623,387,072
Total capital	4,873,438,917	3,484,245,647
<b>Gearing</b>	<b>59%</b>	<b>82%</b>

**35 Risk management**

Risk management is an ongoing process of identification, measurement and monitoring, and is subject to risk limits and internal controls as outlined in the Corporation's risk management policy. During the year, the Company has exposure to the following risks:

- a. Market Risk
- b. Liquidity Risk

**35.1 Risk management framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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**FAHI DHIRIULHUN CORPORATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2024

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**35 Risk management (Continued...)**

**35.2 Market risk**

Market risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. The financial instruments held by the Company that are affected by market risk are the loans and borrowings.

**a. Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to the long-term debt obligations with floating interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>MVR</b>	<b>MVR</b>
<b>Variable rate instruments</b>		
Loans and borrowings	2,544,145,717	1,620,725,566

A change of 100 basis point in interest rates would have increased or decreased profit for the year ended December 31, 2024 by MVR 25,441,457 (2023: MVR 16,207,256). This analysis assumes that all the other variables remain constant.

**b. Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to loans and borrowings.

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
	<b>USD</b>	<b>USD</b>
Cash and cash equivalents	149	149
Other payables	497,621	497,621
Loans and borrowings	164,989,995	105,105,419
<b>Total</b>	<b>165,487,765</b>	<b>105,603,189</b>

The following significant exchange rate applied during the year:

	<b>Average Rate</b>		<b>Reporting Date</b>	
			<b>Spot Rate</b>	
	<b>2024</b>	<b>2023</b>	<b>31-Dec-24</b>	<b>31-Dec-23</b>
1 USD : MVR	15.42	15.42	15.42	15.42

In respect of the monetary assets and liabilities denominated in MVR, the Company has limited currency risk exposure on such balances since the Maldivian Rufiyaa is pegged to the US Dollar within a band to fluctuate within ± 20% of the mid-point of exchange rate.

**FAHI DHIRIULHUN CORPORATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**35 Risk management (Continued...)**

**35.3 Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (including interest payments):

<b>31st December 2023</b>	<b>On demand</b>	<b>less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>
Non-current interest bearing loans and borrowings	-	-	-	1,494,311,058	-	1,494,311,058
Current interest bearing loans and borrowings	-	-	126,414,508	-	-	126,414,508
Non-current portion of lease liabilities	-	-	-	1,912,064	2,223,763	4,135,828
Current portion of lease liabilities	-	398,060	691,502	-	-	1,089,562
<b>Total liabilities from financing activities</b>	<b>-</b>	<b>398,060</b>	<b>127,106,011</b>	<b>1,496,223,122</b>	<b>2,223,763</b>	<b>1,625,950,956</b>

<b>31st December 2024</b>	<b>On demand</b>	<b>less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>
Non-current interest bearing loans and borrowings	-	-	-	1,122,833,000	1,143,466,401	2,266,299,401
Current interest bearing loans and borrowings	-	-	277,846,316	-	-	277,846,316
Non-current portion of lease liabilities	-	-	-	2,192,973	1,569,028	3,762,001
Current portion of lease liabilities	-	89,996	283,831	-	-	373,827
<b>Total liabilities from financing activities</b>	<b>-</b>	<b>89,996</b>	<b>278,130,147</b>	<b>1,125,025,973</b>	<b>1,145,035,429</b>	<b>2,548,281,545</b>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**35.4 Operational risk**

Operational risk is the loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company manages and controls operational risk by identifying and controlling risks in all activities according to a set of pre-determined parameters by applying appropriate management policies and procedures.

**FAHI DHIRIULHUN CORPORATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2024

*All amounts are stated in Maldivian Rufiyaa*

**36 Contingent liabilities**

There were no material contingent liabilities that require disclosure in the financial statement as at December 31, 2024.

**37 Events after the end of the reporting period**

There are no significant events after the balance sheet date that require adjustments to or disclosure in the financial statements.

**38 Directors responsibility**

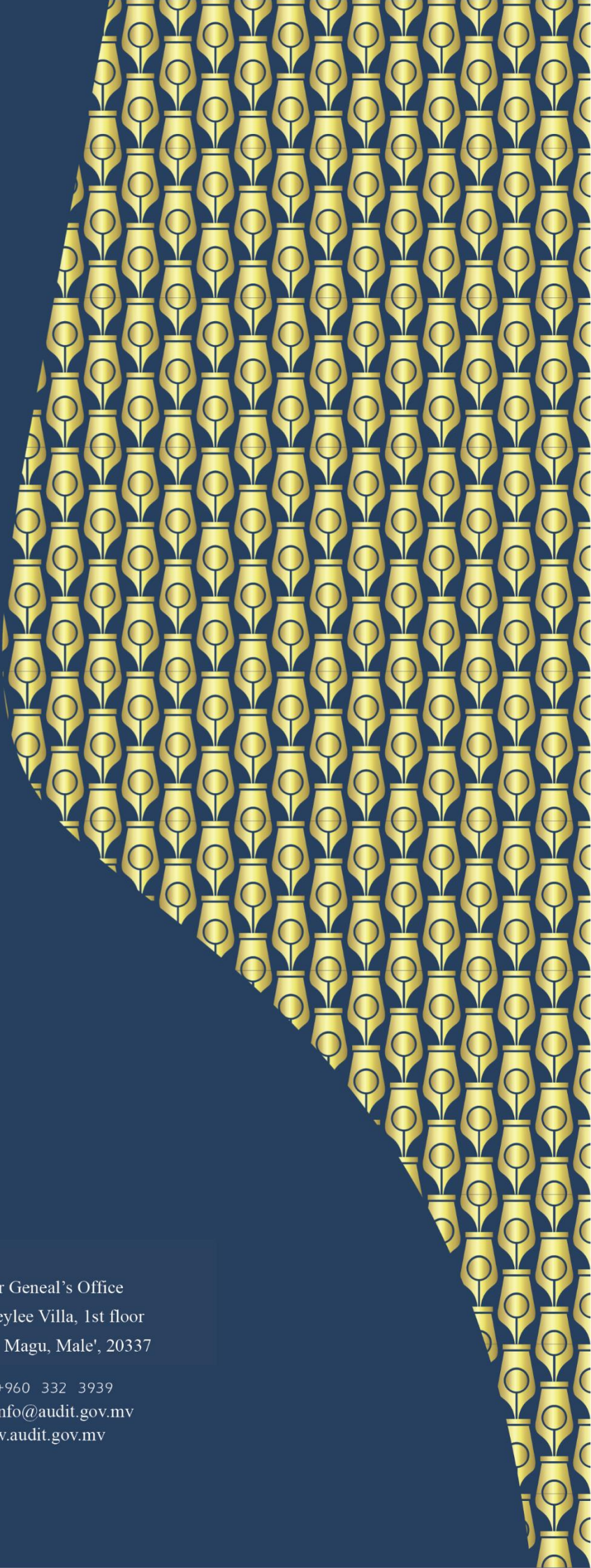
The Board of Directors of the Company is responsible for the preparation and presentation of these financial statements.

**39 Comparative figures**

Comparative figures of the financial statements have been reclassified wherever appropriate to conform with current year's presentation.

**40 Approval of financial statements**

These financial statements were approved by the board of directors and authorised for issue on August 25, 2025.



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