

2021

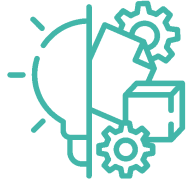
Annual Report



Better Living,
Brighter Future.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

“In the name of Allah, the most beneficent, the most merciful”



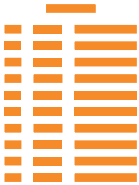
INTRODUCTION

Page 1



CHAIRMAN'S STATEMENT

Page 2 - 3



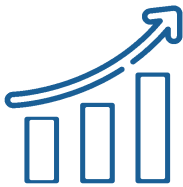
MANAGING DIRECTOR'S STATEMENT

Page 4 - 5



BOARD OF DIRECTORS

Page 6 - 7



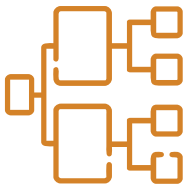
SHARE CAPITAL

Page 8



CORPORATE GOVERNANCE

Page 09 - 12



ORGANIZATION STRUCTURE & EXECUTIVE TEAM

Page 13 - 18



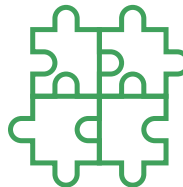
HUMAN RESOURCES

Page 19 - 23



OPERATIONAL HIGHLIGHTS

Page 24 - 27



BUSINESS SUSTAINABILITY

Page 28 - 29



PROJECT PROGRESS

Page 30 - 34



FINANCIAL PERFORMANCE

Page 35

About us

VISION

Better Living. Brighter future.

MISSION

Providing accessible and affordable housing solutions across Maldives.

VALUES

Affordability

Accessibility

Secure Housing

Social Harmony



**“Significant milestones
were achieved in 2021”**

OUR CHAIRMAN'S STATEMENT

2021 has been a very promising year for FDC. A total of 3 EPC contracts were signed during the first quarter, each for the development of 2000 housing units in Hulhumale'. Loan agreements were signed to finance 2 of these projects in the 3rd quarter, with 1 project commencing in late December. These significant milestones were achieved while grappling with the unprecedented challenges of the COVID-19 pandemic.

With the start of project implementation, FDC will have to increase focus to ensure timely execution of the projects, and plan forward for allocation and maintenance of the units. At the same time, exploring alternative financing options for housing projects across atolls should remain a key target.

I am confident that the management and staff at FDC will smoothly transition to the next phase of the corporation.





“It has been a year of learning and growth”

MANAGING DIRECTOR'S STATEMENT

2021 was a an exciting and rewarding year for us. We have finally taken the highly anticipated first steps towards project implementation.

Negotiating EPC contracts that allows us to allocate the housing units at an affordable rate without compromising the space and quality was challenging, especially with the uncertainties of the COVID-19 pandemic. After lengthy, yet productive negotiations, we were able to move forward with 3 EPC contracts and secure finance for 2 projects. Prompt and timely approvals from government authorities aided us in reaching these important milestones.

During the year, capacity building and recruitment efforts were focused towards getting together the technical knowledge and expertise required for project management and implementation.

As we venture into the next phase of the projects, efficient project management and implementation will take center stage. Public awareness will be carried out to ensure that the target audience and stakeholders have all the information they need to ease the application and allocation process. We will continue to explore alternative financing options and project models with focus on atolls.

With this significant step towards achieving corporate goals, it has indeed been a year of learning and growth.

A handwritten signature in black ink, appearing to read "SALFY", is located in the bottom right corner of the page. The signature is stylized and written over a light blue diagonal line.



MR. MOHAMED AZIM
Chairman

Mr. Mohamed Azim was appointed as the Chairman of Fahi Dhiriulhun Corporation by the Government of Maldives on 21st March 2019.

Mr. Azim is an Urban Planner with more than 15 years of experience in land management, urban and regional planning, and housing, primarily in the public sector. He spent 21 years as a civil servant, and last held the post of Director General (Housing) in the Ministry of Housing and Urban Development. He resigned from the Civil Service upon appointment as

Deputy Minister at the Ministry of Housing and Urban Development in December 2018.

He holds a Master's degree in Urban and Regional Planning specializing in Housing from the International Islamic University Malaysia, a BSc in Land Planning and Development from Otago University New Zealand, and a Diploma in Town Planning from the University of the South Pacific, Fiji. Mr. Mohamed Azim is currently the Deputy Minister of National Planning, Housing, and Infrastructure.

THE BOARD OF DIRECTORS



MS. SALFIYYA ANWAR
Managing Director

Ms. Salfiyya Anwar joined FDC in 2019 as the Managing Director of the Company. Prior to joining the FDC, Ms. Salfiyya spearheaded the planning department of Housing Development Corporation Ltd where she had an instrumental role in how the urban planning and development of Hulhumale' was carried out. She led the transformation of a barren lagoon to the booming metropolis that is now the

modern-day Hulhumale' through thoughtful leadership and initiatives such as the Geographic Information System (GIS) mapping of Hulhumale'.

Ms. Salfiyya Anwar pursued higher from Malaysia and the United Kingdom, where she graduated in Architecture from The Robert Gordon University in Scotland (2006). She proceeded to complete her Master's

Degree in Planning and Urban Design from the University of Lincoln in the United Kingdom (2010).



MR. AHMED ATHIF
Non-Executive Director

Mr. Ahmed Athif was appointed as a Board Director on the 21st of March 2019. He holds a Bachelor's Degree (honors) in Accounting from the University of Hertfordshire in Malaysia.

With over 10 years of experience in his field, Mr. Athif has worked in the private sector, as well as the public sector including the Bank of Maldives and Maldives Monetary Authority.

Further adding to his professional competency, Mr. Athif has been actively working in consultancy and advisory services and has a special interest in entrepreneurship development. He worked as a registered auditor and tax agent in private practice before his appointment to his current position.



MR. RIYAZ MANSOOR
Non-Executive Director

During the past 15 years, Mr. Riyaz Mansoor has worked in the Civil Service as a Director broadly overseeing trade regulatory issues and worked as a consultant for both local and international institutions, primarily on the subject of trade regulations, including his most recent consultancy work with the Asian Development Bank. He also held the post of Manager of Operations at the Maldives Pension Administration Office. Mr. Riyaz currently works as Deputy Minister at the Ministry of Economic Development. Mr. Riyaz has an Honours Graduate degree in Software Engineering from the University of Queensland, Australia, and strives to bring greater efficiency through automation.



MR. AHMED MUSID
Non-Executive Director

During the past 15 years, Mr. Ahmed Musid has worked in several positions in the public sector. He is currently working as the Director, Corporate Affairs at the Family Protection Authority. He has knowledge and experience in Human Resource Management and holds a Bachelor of Arts Degree in Human Resource Management from Coventry University. He previously worked at the Civil Service Commission and Malé Municipality.



UZ. HASSAN SAFWAN
Non-Executive Director

Uz. Hassan Safwan holds a Bachelor of Shari'ah and Law and has been practicing law since 2014. During the past six years, Mr. Safwan has worked in the legal sector, including as a Public Prosecutor at Prosecutor General's Office. Mr. Safwan is currently working as a Senior Policy Director at the Ministry of Economic Development.



MR. IBRAHIM NIZAM
Non-Executive Director

Mr. Ibrahim Nizam holds a Master's Degree in Commercial Property Development and a Bachelor's Degree in Quantity Surveying and Commercial Management from Liverpool, John Moores University, UK. During the past ten years, he has worked in the housing development field in the private and public sector, including his experience in oversight and implementation of government housing projects. He previously held the post of Quantity Surveyor at a private company and currently serves as a Director at the Ministry of National Planning, Housing and Infrastructure.

SHARE CAPITAL

Number of Ordinary Shares

3,966,066

Ordinary Share Capital in MVR

39,660,662.25

As at

31st December 2021

Authorized share capital comprises of MVR. 1,000,000,000
(100 Million shares of MVR. 10.00 per share)

Corporate Governance

Since its incorporation, the Company has made it a priority to carry out its operations in line with the Corporate Governance Code of State-Owned Enterprises (CG Code).

BOARD MEETINGS

A total of 12 (twelve) Board meetings were held during the year 2021. Due to the pandemic, all general board meetings were held online via Microsoft Teams.

Board meetings were held to discuss and make key decisions regarding projects and other major activities carried out by the Corporation and to monitor and follow up on the operations.

Board Highlights

Board authorized to enter into three EPC agreements, each for the development of 2000 housing units in Hulhumale', Phase II. The contracts were signed with NBCC (India) Limited, JMC Projects (India) Limited, and Ashoka Buildcon.

Board Authorized to execute Buyer's Credit Agreements with India Exim Bank to finance the two social housing projects to be carried out with NBCC (India) Ltd and JMC Projects (India) Ltd.

In addition, the Board also authorized to carry out a Mixed Residential housing project in Male'. Further, the board appointed an internal auditor to carry out the internal audit function. The board also endorsed the Procurement Procedures and Guidelines of Privatization and Corporatization Board (PCB), and the Job Classification Framework of Privatization and Corporatization Board (PCB)








Approved Policies

- Leave Policy
- Attendance Policy
- Whistleblower Policy
- Sponsorship policy

The agenda for board meetings were set and approved by the Chairperson and the meetings were scheduled in advance. Notice of Board meetings along with the meeting agenda, relevant information, and documents were shared with all Board Directors prior to the Board Meetings.

The Board meeting agenda is set and approved by the Chairperson and the meetings are scheduled in advance and the notice of Board meetings along with the meeting agenda, relevant information and documents are shared with all Board Directors prior to the Board Meetings.

Board Attendance 2021

		Attended / Total Meeting
Mohamed Azim - Chairman		12 of 12
Salfiyya Anwar - Managing Director		12 of 12
Ahmed Athif - Non - Executive Director		06 of 12
Riyaz Mansoor - Non - Executive Director		11 of 12
Hassan Safwan - Non - Executive Director		12 of 12
Ahmed Musid - Non - Executive Director		11 of 12
Ibrahim Nizam - Non - Executive Director		11 of 12

AUDITING

Internal Auditor

The internal audit function was outsourced by the Board and FJS Associates LLP was appointed as the Internal Auditor in March 2021 and internal audit works were carried out during the year as per the Audit Plan.

External Auditor

Crow Maldives LLP was appointed as the External Auditor and carried out the auditing work of FDC in 2021. An unqualified opinion was issued by the External Auditor regarding the financial statements of FDC.

Board Committees

FDC Board consists of two committees, the Audit Committee, and the Remuneration Committee.

Audit Committee

A total of six Audit Committee meetings were held in 2021. Audit Committee carries out its work in accordance with the Audit Charter endorsed by the Board on 16th September 2019. Chairperson of the Audit Committee is a Non-Executive Director who has experience in finance, accounting and auditing. Audit Committee comprises of the following non-executive directors.

- | | |
|------------------|----------|
| 1. Ahmed Athif | Chairman |
| 2. Riyaz Mansoor | Director |
| 3. Hassan Safwan | Director |

Remuneration Committee

A total of three Remuneration Committee meetings were held in 2021. Remuneration Committee Charter was formulated and approved by the Committee in 2020. The Committee comprises of the following members.

- | | |
|-------------------|-------------------|
| 1. Ahmed Musid | Chairperson |
| 2. Salfiyya Anwar | Managing Director |
| 3. Ibrahim Nizam | Director |

Training and Development of Directors

The Board of Directors participated in a two-day International Financial Reporting Standards (IFRS)' training held in October 2021.

Code of Ethics

The Code of Ethics and Professional Conduct for Board Members and Management was approved by the Board on 09th February 2020. The Code addressed issues such as conflict of interest, confidentiality, compliance with laws, professional relationships, reporting on any possible illegal or unethical behavior, compliance procedures, and more.

Annual General Meeting (AGM)

The Annual General Meeting was held on 30th August 2021. The meeting was conducted online via Microsoft Teams. The Annual Report of FDC and the Annual Audited Financials were presented at the AGM.

The meeting was attended by Mr. Hussain Hameem, Senior Policy Director of the Ministry of Finance on behalf of the Shareholder the Government of Maldives. The Auditor General's Office was present at the AGM as the External Auditor.

Annual Report and Financial Statements

Audited Financial Statements and Annual Report was approved by the Board of Directors before presenting to the AGM and subsequently submitted to the Registrar of Companies and the Privatization and Corporatization Board (PCB) on 01st September 2021.

Website

FDC's website was launched on 05th June 2020. The website includes news and information about the corporation and other relevant information required by investors, stakeholders, and the public.

Stakeholders

Stakeholders of the Company include government ministries, state institutions, state-owned enterprises, investors, contractors, private companies, and most importantly the public. FDC has a good relationship and is in constant contact with all its stakeholders and shareholder.

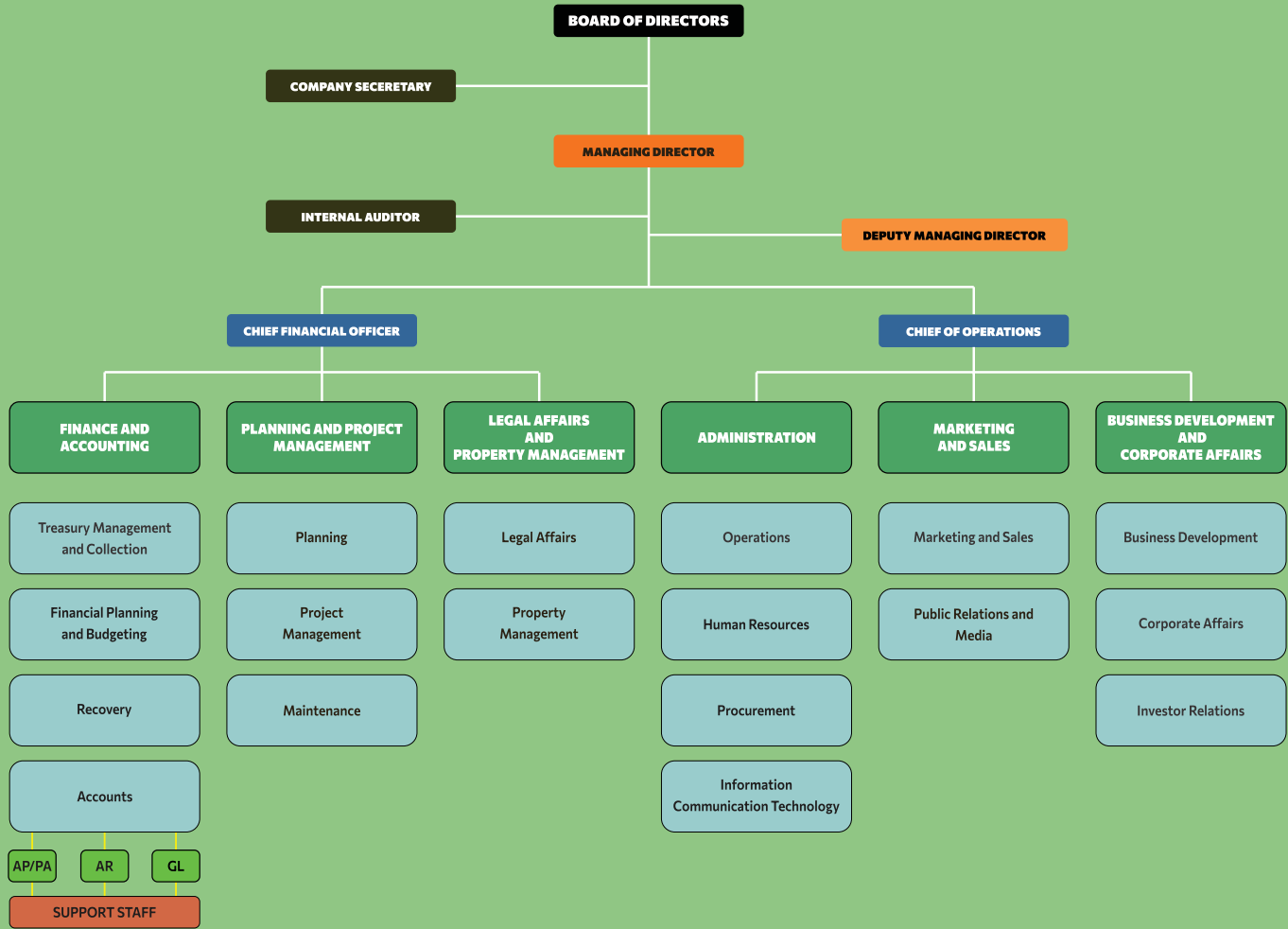
Internal Controls and Risk Management

FDC is in the process of developing and improving its internal control mechanisms and risk management functions and strengthening the internal audit function of the company.

Compliance

As corporate governance is crucial for the work, in 2021 the company made it a priority to improve compliance with the corporate governance code and the corporation has been continuously striving to improve its compliance with the CG Code by formulating and adopting relevant policies and procedures and ensuring that they are adhered to by the Corporation. e.

ORGANIZATION STRUCTURE



- DEPARTMENTS
- SECTIONS
- UNITS

EXECUTIVE TEAM

The Executive Team comprises of Heads of Departments (HOD) and Head of Sections (HOS). Heads of Departments (HOD) report directly to the Managing Director whereas Head of Sections (HOS) report directly to their respective Heads of Departments (HOD).

In 2019, the Executive Team of FDC included the Managing Director and 5 HODs with female members contributing to 67% of the team. The main responsibility of the Executive Team is to assist the Managing Director in implementing the core strategies of FDC and is responsible for managing the core business operations.





MR. JINAH SHAREEF
Chief Financial Officer

Mr. Ali Jinah Shareef joined FDC in 2019 as the finance manager. He is a qualified chartered accountant with more than 10 years of accounting and financial experience in the real estate industry. He was appointed as the Chief Financial Officer in June 2020,

Prior to joining Fahi Dhiriulhun Corporation, he served as the Assistant Director of finance in Housing Development Corporation Ltd for 08 years. During his tenure at HDC, he has worked in various areas of finance including accounting, financial planning, budgeting, and raising finance for residential and commercial projects undertaken by the Company.

He holds a bachelor's degree in accounting from International Islamic University (IIUM) Malaysia and is a member of Association of Chartered Certified Accountants (UK).



MS. NASHWA HAMEED
Chief of Operations

Ms. Aminath Nashwa Hameed joined FDC in 2019 as the Business Development Consultant. She now holds the position of Chief of Operations. She was appointed Company Secretary from July 2019 to June 2020.

With over 15 years of experience, Ms. Nashwa had previously worked at HDC and GMIZL. Her main area of interest is in housing development and industrial development. Over the years, she has worked in a range of areas including general management and administration, human resources, corporate affairs, procurement, business development and product development.

Ms. Nashwa has a Bachelor of Commerce and a Post Graduate Diploma in Business Administration.



MR. HASSAN MANIH UMAR
Civil Engineer - Projects and Planning

Mr. Hassan Maanah Umar joined the team on 16th February 2020 and worked in the Planning and Project Management Department.

His work mainly included evaluating investor proposals, EPC contract negotiations, monitoring progress towards meeting the Social Housing Quality Standard, preparing reports on progress, and making recommendations on actions required to achieve the given targets. Maanah currently, oversees the day-to-day operations of the Planning and Project Management Department.

Prior to joining FDC, Mr. Maanah has worked in Gedor Consulting Pvt Ltd. During this period, he has worked in the housing, commercial and industrial sector, with experience in designing and project management.

Mr. Maanah holds a MEng in Civil Engineering from University College London.



UZ. AHMED AMEEN
Manager, Legal Affairs and Property Management

Uz. Ahmed Ameen joined FDC on 1st March 2020 and currently holds the position of Manager in charge of the Legal Affairs and Property Management Department of the Corporation. Uz. Ameen was also appointed as the Company Secretary of FDC on 23rd June 2020.

Prior joining to FDC, Uz. Ameen held various posts at Human Rights Commission of the Maldives (HRCM) for a period of 10 years, last serving as the Secretary General of HRCM. He also has experience practicing corporate and commercial law.

Uz. Ameen holds a Master of Human Rights Law and Policy from the University of New South Wales (UNSW), Australia, LLB (Hons) from University of West of England (UWE) UK, and Bachelor of Business Administrations (BBA) from the University of East London (UEL) UK.



MR. AISHATH SHAAIFA IMAD

Manager - Administration

Ms. Aishath Shaaifa Imad joined the Administration Department of FDC in July 2019 and currently holds the position of Manager of Administration Department, overseeing and providing support to the organisation through the general operations, human resources, information technology and procurement functions.

Prior joining to FDC Ms. Aishath Shaaifa Imad was engaged in a similar role as the head of Administration and HR Department at Maldives Integrated Tourism Development Corporation. She has previously worked in key areas of the corporate environment such as legal affairs in HDC and public relations, customer service and front office management in NSPA.

Ms. Shaaifa holds a Master of Business Administration from the University of the West of England.



MS. SHIFA MOHAMED SAEED

Manager - Finance

Ms. Shifa Mohamed Saeed joined FDC on 1st March 2020 as the Assistant Manager, Finance.

Prior to joining FDC, Ms. Shifa held the position of Assistant Manager in Public Debt Management Division (PDMD) of MMA since 2015. During her tenure at MMA, Ms. Shifa was mostly involved in the government securities market operations. She was also actively involved in the Government Securities Market Development Project undertaken by MMA which aims to make the government securities market more accessible to the public by improving the regulatory framework of the government securities market, implementing a Government Securities Central Securities Depository system, introducing a primary dealership system in the Maldives, and facilitating growth of the secondary market.

Ms. Shifa is a holder of MSc in Finance and Investment and BA (Hons) in Finance, Accounting and Management from the University of Nottingham.



MR. AHMED SHAMOOOL ABDULLAH

Manager - Business Development and Corporate Affairs

Mr. Ahmed Shamool Abdullah joined FDC in November 2020 as the Manager, Business Development and Corporate Affairs. Prior to joining FDC Mr. Shamool worked at Amāna Takaful (Maldives) PLC for a period of 8 years. During his tenure at Amāna Takaful (Maldives) PLC he has worked in a various aspect of Business Development function at the company. Areas include product development, service expansion, procurement, and marketing communications.

Mr. Shamool holds a Bachelor of Business Administration from the Heriot-Watt University Scotland and is currently pursuing Postgraduate studies from University of the West of England.

Human Resources



Human Resources

The main target of the Human Resource section is to develop a dynamic and motivated workforce to drive the main strategies of the corporation. During the year, professional and technical allowance were introduced to management level and technical level employees. Ongoing COVID-19 pandemic and movement control measures limited the available opportunities for training and development of staff and pushed back planned recruitments.

RECRUITMENT

Delays in project commencement resulted in delays in planned recruitment. During the year 2021 a total of 19 staff were hired which include 4 consultants and 1 foreign recruitment. Turnover rate for the organization was 0%.

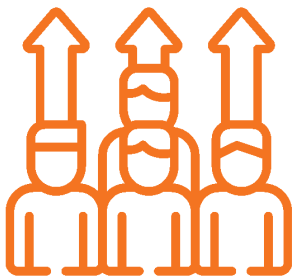
By the end of the year 2021 total workforce of the company is 31 and among them 54.8% are male and 45.2% is female staff. Management of the company consists of 8 members representing the departments and function of the corporation and 50% of the management is represented by the female members.

TRAINING AND DEVELOPMENT

Despite limitations and challenges of pandemic, training and development opportunities were carried out in finance, writing skills and team building.

WORKFORCE

by the end of December 2021



31
EMPLOYEES

WORKFORCE COMBINATION

by the end of December 2021



54.8% - Male
45.2% - Female

WORKFORCE TURNOVER

by the end of December 2021



0%
EMPLOYEES

HIRES

by the end of December 2021



19
HIRES
- 4 Consultants
- 1 Foreign Hire (Technical)



IFRS TRAINING

International Financial Reporting Standards was organized by FDC and conducted by KPMG. This was the first training arranged by FDC by inviting other State-Owned Enterprises and private corporations. Over 50 trainees participated in this training, including 03 board members and 08 staff of FDC.



TEAM BUILDING

A team building session was held with the aim to improve workplace cohesiveness. A total of 24 staff participated in this team building workshop. The training was conducted by Mind Fields.



BUSINESS WRITING SKILLS

A total of 06 staff from 05 departments participated in the Business Writing Skills workshop that was coordinated by Villa College. This program covered 14 hours over 6 days.

Human Capacity Development



OPENING DAY EVENT – WALKING INTERVIEWS

An open day event with walk-in interviews were held on 25th & 26th October 2021. The main objective of the event was to attain pool of candidates for the current and future job opportunities and to identify gaps in manpower requirements. This was an avenue to maximize visibility and reach within the job market. Through this program, 51 interviews were conducted with the successful recruitment of 4 staff.

NATIONAL APPRENTICESHIP PROGRAM 2021

29th November 2021

An MOU was signed with Ministry of Youth Sports and Community Empowerment on 29 November 2021 to participate in the National Apprenticeship Program. The purpose of this program is to create opportunities for the youth to gain knowledge and to provide valuable training on the field. The program would be run for 6 months and in which 10 construction officers would be trained.



Operational Highlights



Operational Highlights

Despite the challenges faced due to the spread of Covid 1, notable progress was made towards achieving the annual targets.

EPC AGREEMENTS WERE SIGNED WITH THREE CONTRACTORS FOR THE DEVELOPMENT OF 6000 HOUSING UNITS IN HULHUMALE' PHASE II

The engineering, procurement, and construction (EPC) contract was signed with NBCC (India) Limited and with JMC Projects (India) Limited on 2nd February 2021 and 19th March 2021 respectively. Each of these contracts were signed for the development of 2000 housing units.

An additional EPC contract was signed with Ashoka Buildcon Limited for the development of an additional 2000 housing units on 27th May 2021.



Operational Highlights

DEVELOPMENT OF MIXED RESIDENTIAL HOUSING IN MALE' CITY

22nd April 2021

Upon request from the Ministry of National Planning, Housing, and Infrastructure (MNPHI), FDC issued a Request for Proposal (RFP) for the development of mixed residential housing units in blocks 307 and 319 in Male'. This is a contractor financed project on a design and build model.

An announcement was made on 22nd April 2021 and bid submission and the opening were carried out on 16th June 2021.



BUYER'S CREDIT AGREEMENTS SIGNED BETWEEN FAHI DHIRIULHUN CORPORATION LIMITED AND INDIA EXIM BANK FOR THE DEVELOPMENT OF 4000 SOCIAL HOUSING UNITS

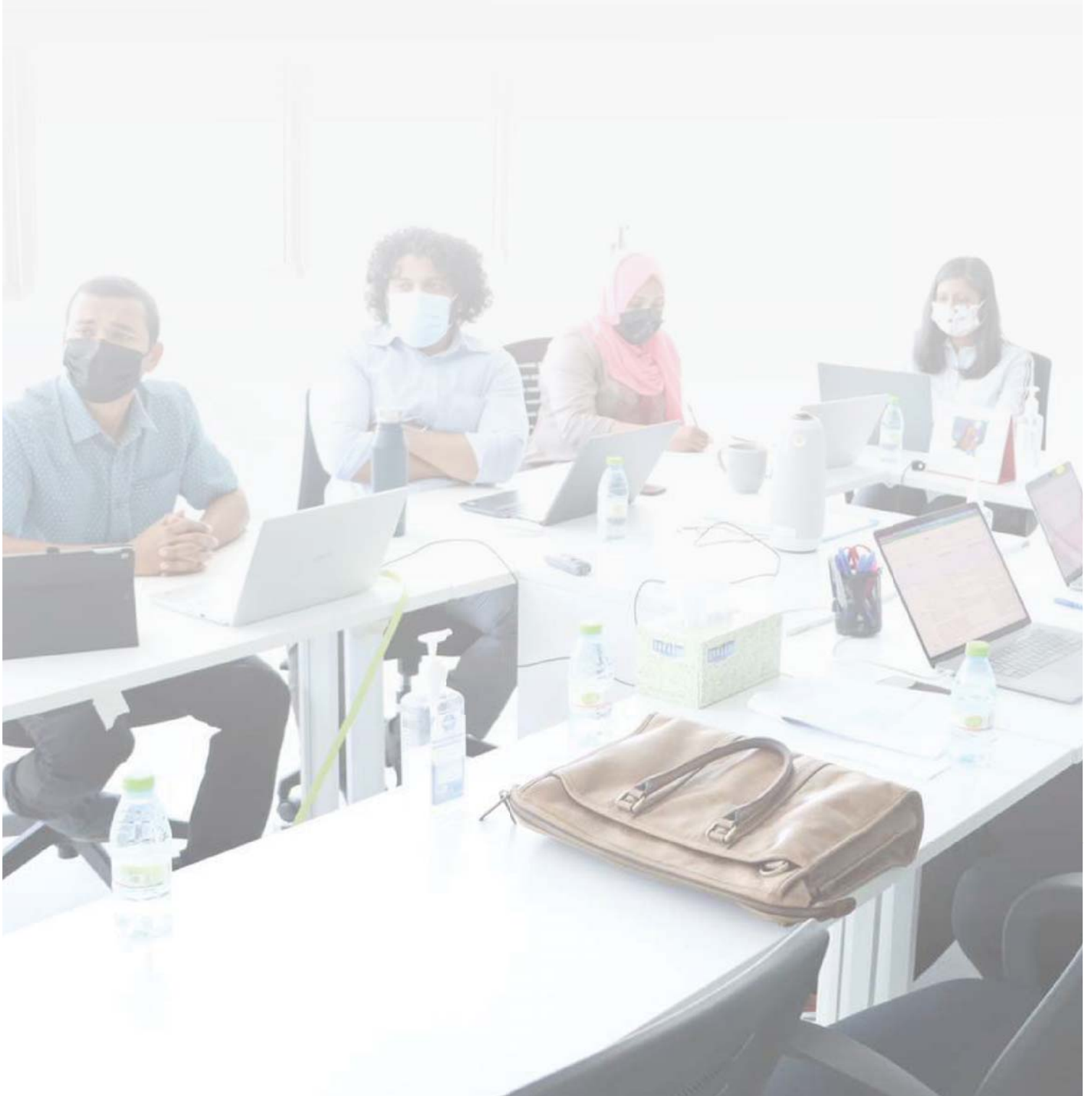
23rd September 2021



FDC signed two buyer's credit agreements with Exim Bank of India to finance the development of 4000 social housing units in Hulhumale'.

Finance raised through these two credit facilities will be utilized for the development of 2000 housing units under the FDC NBCC Housing Project and 2000 housing units under the FDC JMC Housing Project. The Government of Maldives provided Sovereign Guarantee for these credit facilities.

Business Sustainability



Business Sustainability

OVERVIEW OF 2021

A total of 3 EPC contracts were signed with 3 contractors for the development of a total of 6000 housing units in Hulhumale'. Revenue generation is expected to start in late 2023, which will be used for loan repayment and to cover operational costs

EPC CONTRACTS SIGNED DURING THE YEAR 2021



NBCC (India) Limited



JMC Projects (India) Limited

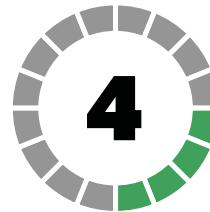


Ashoka Buildcon Limited

Overview of the key business operations carried out in the year 2020 to 2021



5
Submitted
Termsheets



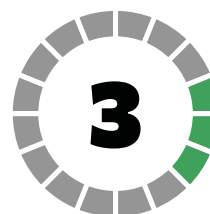
4
Framework Agreements
Signed



5
Visited Maldives

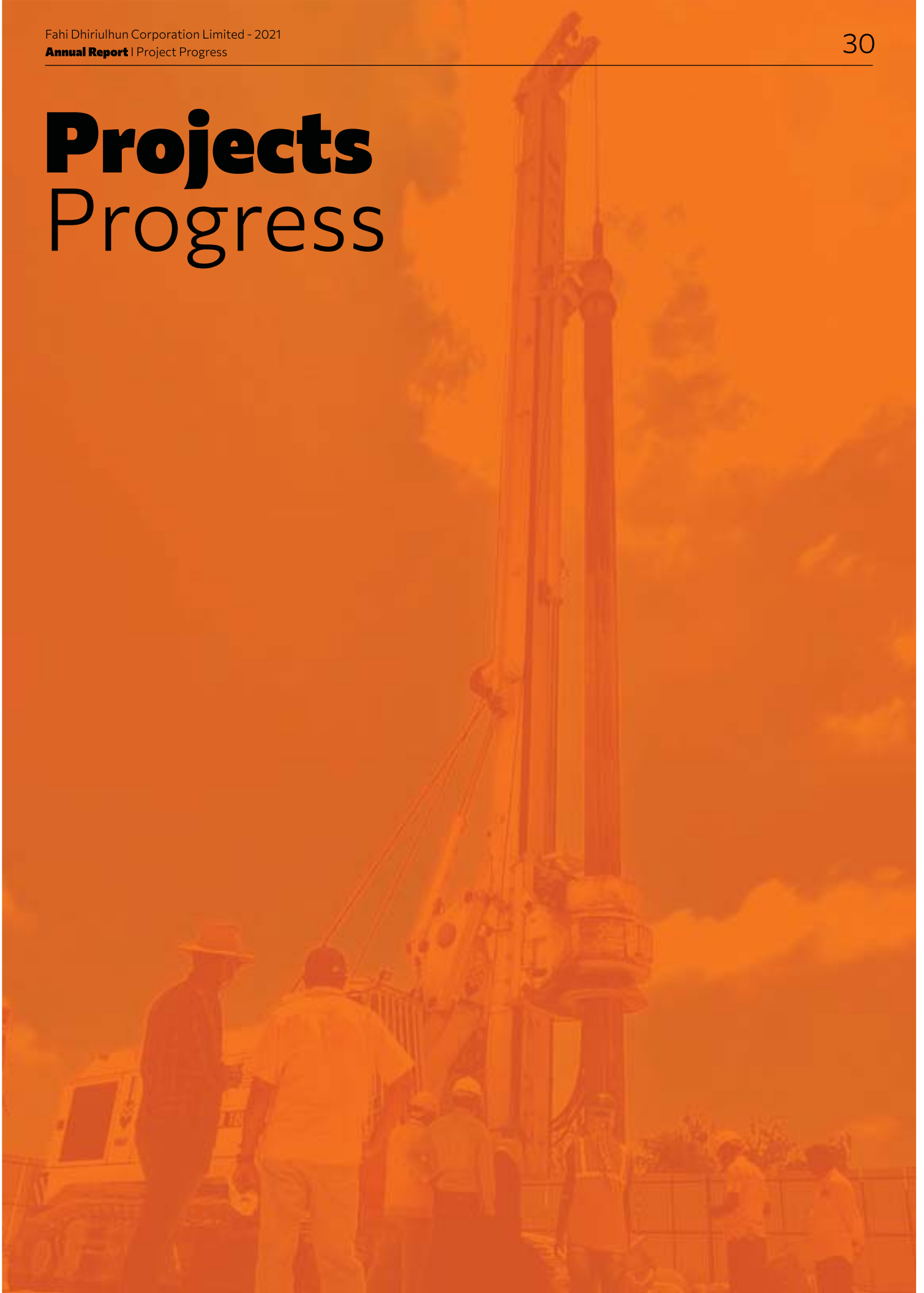


10
Key
Negotiations



3
EPC Contract
signed

Projects Progress



Projects Progress

FAHI DHIRIULHUN NBCC HOUSING PROJECT AND FAHI DHIRIULHUN JM HOUSING PROJECT

Lockdowns and movement restrictions during the year 2021 and its impact on the economy caused major delays in securing funding for these projects. Further delays were faced in finalizing the design and completion of site handover. However, proactively developed mitigation plans allowed FDC to overcome these challenges and complete the preparatory works required for the commencement of these projects.

A significant amount of work was carried out by the team within this challenging period for the allocation of sites, and the generation of required plans from conceptual, basic, to detailed designs. Concurrently, active engagement with stakeholders was carried out to secure and finalize financing for the projects.

Credit agreements for the projects were signed on 23rd September 2021, and all statutory compliances required for the physical commencement of the project was completed. Subsequently, with the handover of the construction sites to the contractors, both projects will commence in January 2022. FDC anticipates that 60% of the ongoing projects will be completed by the end of 2023.

Projects Progress

COMMENCEMENT DATE
18TH JANUARY 2022

NBCC (INDIA) LIMITED

TOTAL NUMBER OF UNITS

2000
SOCIAL HOUSING UNITS

1400 (900 sqft)
3 Bedroom Apartments

600 (650 sqft)
2 Bedroom Apartments

PROJECT VALUE

130,000,000
USD

India Exim Bank
Financed by

PROJECT DURATION

900
DAYS

2024
Estimated completion

EPC CONTRACT SIGNED

Engineering, procurement, and construction contract

2ND FEBRUARY 2021

LOAN AGREEMENT SIGNED

23RD SEPTEMBER 2021

Projects Progress

COMMENCEMENT DATE
08TH DECEMBER 2021

JMC PROJECTS (INDIA) LIMITED

TOTAL NUMBER OF UNITS

2000

SOCIAL HOUSING UNITS

1400 (900 sqft)
3 Bedroom Apartments

600 (650 sqft)
2 Bedroom Apartments

PROJECT VALUE

137,000,000

USD

India Exim Bank
Financed by

PROJECT DURATION

1125

DAYS

2024

Estimated completion

EPC CONTRACT SIGNED

Engineering, procurement, and construction contract

18TH MARCH 2021

LOAN AGREEMENT SIGNED

23RD SEPTEMBER 2021

SITE HANDOVER

18TH NOVEMBER 2021

Construction Site

22ND NOVEMBER 2021

Temporary Site

Projects Progress

ASHOKA BUILDCON

TOTAL NUMBER OF UNITS

2000

SOCIAL HOUSING UNITS

1400 (900 sqft)
3 Bedroom Apartments

600 (650 sqft)
2 Bedroom Apartments

Although the EPC contract for FDC -ASHOKA project was signed in May 2021, the project has undergone significant delays due to challenges in securing financing.

At present, FDC is working closely with the Government of Maldives to secure funding for this project.

PROJECT VALUE

140,000,000

USD

PROJECT DURATION

1095

DAYS

EPC CONTRACT SIGNED

Engineering, procurement, and construction contract

27TH MAY 2021

Financial Performance



INDEPENDENT AUDITOR'S REPORT
FAHI DHIRIULHUN CORPORATION LIMITED
31st December 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fahi Dhiriulhun Corporation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fahi Dhiriulhun Corporation Limited ("Company"), which comprise the statement of financial position as at 31st December 2021, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31st December 2021, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Maldives, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of land related to construction sites in the financial statements

Key audit matter

The company had commenced two of their construction projects for construction of 2,000 Social Housing Units in Hulhumale' during the year 2021.

It was observed during the audit that the company had not secured the land related to the construction plots and recognized the same in the statement of financial position.

How our audit addressed the key audit matter

Our audit procedures included, among others, reviewing the tripartite agreement between the Company, landowner and relevant ministry, granting rights to the Company over the use of land to commence the construction work.



To the Shareholders of Fahi Dhiriulhun Corporation Limited

Report on the Audit of the Financial Statements (Continued...)

Other Matters

The financial statements of the Company for the year ended 31st December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 10th August 2021.

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

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and Law of Jurisdiction of Republic of Maldives, 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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.

To the Shareholders of Fahl Dhiriulhun Corporation Limited

Report on the Audit of the Financial Statements (Continued...)

- 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 relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Hassan Mohamed.

26 June 2022



Hassan Mohamed
Managing Partner
License No: ICAM-FL-GX6



AUT: 61163757CM2022125

FAHI DHIRIULHUN CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
as of 31st December 2021
All amounts are stated in Maldivian Rufiyaa

	Note	31-Dec-21 MVR	31-Dec-20 MVR
ASSETS			
Non-Current Assets			
Property, plant & equipment	6	1,402,772	543,992
Intangible assets	7	141,819	181,314
Right of use assets	8	1,610,765	2,628,091
		3,155,356	3,353,397
Current Assets			
Inventories - properties under construction	9	56,913,282	-
Other receivables	10	617,779,299	6,750
Cash & cash equivalents	11	18,572,924	1,925,915
		693,265,505	1,932,665
TOTAL ASSETS		696,420,861	5,286,062
EQUITY & LIABILITIES			
Equity & Reserves			
Share capital	12	39,660,663	12,766,950
Advance for shares	13	148,556,303	-
Accumulated losses		(19,493,126)	(9,985,872)
		168,723,840	2,781,078
Non-Current Liabilities			
Borrowings	14	524,935,350	-
Lease liabilities	15	591,300	1,528,366
		525,526,650	1,528,366
Current Liabilities			
Lease liabilities	15	937,067	848,245
Trade & other payables	16	1,233,304	128,373
		2,170,371	976,618
TOTAL EQUITY & LIABILITIES		696,420,861	5,286,062

The accompanying notes and policies form an integral part of these financial statements. The report of the auditor is set out on pages 1 to 3.

These financial statements were approved and authorised for issue on 8th June 2022.

The financial statements set out on pages 4 to 7, which have been prepared on the going concern basis were approved by the Board of Directors on the date of these financial statements and signed on behalf of the Board of Directors by:

- Name**
- Saifiyya Anwar
 - Mohamed Azim



Signature



FAHI DHIRIULHUN CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31st December 2021

All amounts are stated in Maldivian Rufiyaa

	Note	31-Dec-21 MVR	31-Dec-20 MVR
Revenue		-	-
Cost of revenue		-	-
Other income	17	5,350	337,280
Administrative expenses	18	(9,321,781)	(7,116,525)
Operating loss		<u>(9,316,431)</u>	<u>(6,779,245)</u>
Other gains	19	-	15,406
Finance cost	20	(190,823)	(103,694)
Loss before tax		<u>(9,507,254)</u>	<u>(6,867,533)</u>
Income tax	21	-	-
Net loss for the year		<u>(9,507,254)</u>	<u>(6,867,533)</u>
Loss per share	24	(2)	(5)

The accompanying notes and policies form an integral part of these financial statements. The report of the auditor is set out on pages 1 to 3.



FAHI DHIRIULHUN CORPORATION LIMITED
STATEMENT OF CASH FLOWS

for the year ended 31st December 2021

All amounts are stated in Maldivian Rufiyaa

	Note	31-Dec-21 MVR	31-Dec-20 MVR
Operating profit before working capital changes	25	(8,064,009)	(6,185,709)
Other receivables		(617,772,549)	273,369
Trade & other payables		1,104,931	95,696
Inventories		(56,913,282)	-
Cash used in operating activities		(681,644,909)	(5,816,644)
Interest paid		(190,823)	(103,694)
Net cash used in operating activities		(681,835,732)	(5,920,338)
Cash flows from investing activities			
Acquisition of property, plant & equipment		(1,054,381)	(721,597)
Proceeds from sale of property, plant & equipment		-	220,345
Net cash used in investing activities		(1,054,381)	(501,252)
Cash flows from financing activities			
Proceeds towards issue of share capital		175,450,016	6,723,430
Payment of lease liabilities		(848,244)	(329,252)
Borrowings obtained		524,935,350	-
Net cash flows from financing activities		699,537,122	6,394,178
Net increase / (decrease) in cash and cash equivalents		16,647,009	(27,412)
Cash and cash equivalents at the beginning of the year		1,925,915	1,953,327
Cash and cash equivalents at the end of the year		18,572,924	1,925,915

The accompanying notes and policies form an integral part of these financial statements. The report of the auditor is set out on pages 1 to 3.



FAHI DHIRIULHUN CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY
as of 31st December 2021
All amounts are stated in Maldivian Rufiyaa

	<u>Share Capital MVR</u>	<u>Accumulated Losses MVR</u>	<u>Total Equity MVR</u>
Balance as at 1st January 2020	6,043,520	(3,118,339)	2,925,181
Additions	6,723,430	-	6,723,430
Net loss for the year	-	(6,867,533)	(6,867,533)
Balance as at 31st December 2020	<u>12,766,950</u>	<u>(9,985,872)</u>	<u>2,781,078</u>
Balance as at 1st January 2021	12,766,950	(9,985,872)	2,781,078
Additions	26,893,713	-	26,893,713
Net loss for the year	-	(9,507,254)	(9,507,254)
Balance as at 31st December 2021	<u>39,660,663</u>	<u>(19,493,126)</u>	<u>20,167,537</u>

The accompanying notes and policies form an integral part of these financial statements. The report of the auditor is set out on pages 1 to 3.



1 Corporate Information

The financial statements of Fahi Dhirulhun Corporation Limited for the year ended 31 December 2021 were authorized for issue in accordance with a resolution of the directors on 8th June 2022. Fahi Dhirulhun Corporation Limited (the Company) is a limited company incorporated on 25 March 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 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.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Maldivian Rufiyaa (MVR) and all values are rounded to the nearest rufiyaa, except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The financial statements provide comparative information in respect of the previous period.

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:

3.1.1 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.

3.2 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.

3.2.1 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.

4 Summary of significant accounting policies

4.1 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

4.2 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.

4.3 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.

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.

4.4 Inventory Property

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 inventory property, 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 Cost during Construction
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs.

4.5 Property Plant and Equipment

4.5.1 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 labor, 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 income in profit or loss.

4.5.2 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.

4.5.3 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:

- | | |
|-------------------------------|----------|
| • Buildings | 20 years |
| • Furniture & Fittings | 05 years |
| • Computer & Office Equipment | 05 years |
| • Vehicles | 10 years |
| • Plant and Machinery | 10 years |

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.

4.5.4 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.



4.6 Intangible assets

4.6.1 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.

4.6.2 Subsequent expenditure

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

4.6.3 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 05 years

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

4.7 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.

4.8 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.

4.8.1 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).

4.9 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.

4.10 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.

4.10.1 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.

4.10.1.1 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.

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.

4.10.1.2 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 Group 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.

4.10.1.3 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.

4.11 Taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss.

4.12 Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date.

4.13 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 measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rate enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax assets are recognized for temporary difference to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it no longer probable that the related tax benefits will be provided.

5 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of The Company's financial statements are disclosed below, if they are expected to have an impact on The Company's financial statements. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

5.1 Amendments to IAS 1: Classification of Liabilities as Current or Non-currents

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement?
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. However, in November 2021, the IASB published an exposure draft which included a proposal to defer the effective date to no earlier than 1 January 2024.

The Company is monitoring the developments and is assessing the impact the amendments will have on its current accounting policies and whether the Company may wish to re-assess covenants in its existing loan agreements or whether existing loan agreements may require renegotiation.



5.2 Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

5.3 IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022, with earlier adoption permitted.

5.4 Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduced a definition of ‘accounting estimates’. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on The Company.

5.5 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently assessing the impact of the amendments to determine the impact they will have on The Company’s accounting policy disclosures.



FAHI DHIRIULHUN CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2021
All amounts are stated in Maldivian Rufiyaa

6 Property, Plant & Equipment

6.1 Cost	Balance As at 01-Jan-21	Additions	Disposals	Balance As at 31-Dec-21
Computer & Office Equipment	550,641	915,604	-	1,466,245
Furniture & fittings	145,379	138,777	-	284,156
	696,020	1,054,381	-	1,750,401
6.2 Depreciation	Balance As at 01-Jan-21	Charge for the year	Disposals	Balance As at 31-Dec-21
Computer & Office Equipment	120,989	157,159	-	278,148
Furniture & fittings	31,039	38,442	-	69,481
	152,028	195,601	-	347,629
Net Book Value	543,992			1,402,772

7 Intangible Assets

7.1 Cost	Balance As at 01-Jan-21	Additions	Disposals	Balance As at 31-Dec-21
Computer software	197,475	-	-	197,475
	197,475	-	-	197,475
7.2 Amortisation	Balance As at 01-Jan-21	Charge for the year	Disposals	Balance As at 31-Dec-21
Computer software	16,161	39,495	-	55,656
	16,161	39,495	-	55,656
Net Book Value	181,314			141,819

8 Right of Use Asset

8.1 Cost	Balance As at 01-Jan-21	Additions	Disposals	Balance As at 31-Dec-21
Maldives Post Limited	3,051,977	-	-	3,051,977
	3,051,977	-	-	3,051,977



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

For the year ended 31st December 2021

All amounts are stated in Maldivian Rufiyaa

8.2 Amortisation	Balance As at 01-Jan-21	Charge for the year	Disposals	Balance As at 31-Dec-21
Maldives Post Limited	423,886	1,017,326	-	1,441,212
	<u>423,886</u>	<u>1,017,326</u>	<u>-</u>	<u>1,441,212</u>
Net Book Value	<u>2,628,091</u>			<u>1,610,765</u>

- 8.3 The company has obtained lease for an office space, 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 Company's rights over the lease are secured against the lease title. Generally, the leases also include restrictions on assigning and subleasing the leased asset.

Set out above are the carrying amounts of right-of-use assets recognised and the movements during the period.

9 Inventories - properties under construction	Balance As at 01-Jan-21	Additions during the year	Disposals	Balance As at 31-Dec-21
Construction of Social Housing Units	-	56,913,282	-	56,913,282
Total	<u>-</u>	<u>56,913,282</u>	<u>-</u>	<u>56,913,282</u>

Amounts inventorized under inventories - properties under construction consist of finance costs incurred during the year for the borrowings undertaken for the construction of social housing units.

	31-Dec-21 MVR	31-Dec-20 MVR
10 Other Receivables		
Other receivables	208,299	6,750
Contractor advances	617,571,000	-
Total	<u>617,779,299</u>	<u>6,750</u>

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

11 Cash & Cash Equivalent		
Cash at bank	18,569,654	1,916,663
Cash in hand	3,270	9,252
Total	<u>18,572,924</u>	<u>1,925,915</u>

12 Share Capital		
Issued share capital	39,660,663	12,766,950
Total	<u>39,660,663</u>	<u>12,766,950</u>



12 Share Capital (Continued...)

The total authorised number of ordinary shares is 100,000,000 shares with a par value of MVR 10 per share. Issued and paid up share capital comprises of 3,966,066 ordinary shares of MVR 10 each. The company is fully owned by the Government of Maldives.

	<u>31-Dec-21</u>	<u>31-Dec-20</u>
	MVR	MVR
13 Advance for Share Capital		
Advance for Share Capital	148,556,303	-
Total	<u>148,556,303</u>	<u>-</u>

During the year 2021, the company has received MVR 148,556,303 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. The shares have not been allotted as at reporting date.

14 Borrowings

Non- Current

Long term loan NBCC EXIM	255,586,500	-
Long term JMC EXIM	269,348,850	-
Total borrowings	<u>524,935,350</u>	<u>-</u>

USD\$ 116,450,000 bank loan

The Company has obtained a loan of US\$116,450,000 from Export-Import Bank of India (EXIM) on 23rd September 2021 for the purpose of financing 85% of the contract value of 2,000 housing units developed under JMC-FDC housing project. The first disbursement of the loan was made on 08 December 2021. The loan repayment will commence on 08 June 2025. The loan is to be repaid over a period of 15 years including 3.5 years of grace period. The loan annual interest rate is LIBOR+325 basis points.

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

USD\$ 110,500,000 Bank loan

The Company has obtained a loan of US\$110,500,000 from Export-Import Bank of India (EXIM) on 23 September 2021 for the purpose of financing 85% of the contract value of 2000 housing units developed under NBCC-FDC housing project. The first disbursement of the loan was made on 14 December 2021. The loan repayment will commence on 14 June 2024. The loan is to be repaid over a period of 15 years including 2.5 years of grace period. The loan annual interest rate is LIBOR+325 basis points.

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

14.1 Loan Covenants

In accordance with the Buyer's Credit Facility of USD\$ 115,450,000 and USD\$ 110,500,000 loan, 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 and must ensure that its obligations will be direct, unconditional and ranking at least pari passu with all other unsecured obligations.



FAHI DHIRIULHUN CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

All amounts are stated in Maldivian Rufiyaa

14.1 Loan Covenants (Continued...)

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 favor 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.

15 Lease liability

	Balance As at 01-Jan-21	Interest	Repayments	Balance As at 31-Dec-21
Makdhives Post Limited	2,376,611	190,823	(1,039,067)	1,528,367
	2,376,611	190,823	(1,039,067)	1,528,367
Current lease liability				937,067
Non current lease liability				591,300
Total				1,528,367

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

The maturity analysis of lease liabilities are disclosed in Note 30.3.

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 29.

The following are the amounts recognised in profit or loss:

	31-Dec-21 MVR	31-Dec-20 MVR
Depreciation expense of right-of-use assets (Note 8.2)	1,017,326	423,886
Interest expense on lease liabilities (Note 15.1)	190,823	103,694
Total	1,208,149	571,776

The Company had a total cash outflow for leases of MVR 1,039,067 (MVR 432,946 in 2020).

The Company has certain 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.



FAHI DHIRIULHUN CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021
 All amounts are stated in Maldivian Rufiyaa

		31-Dec-21 MVR	31-Dec-20 MVR
16 Trade & Other Payables			
Trade payables		85,572	124,731
Accrued expenses		152,112	3,642
Other payable		2,990	-
Interest payable		992,630	-
Total		1,233,304	128,373
17 Other Gains			
Miscellaneous income		5,350	337,280
Total		5,350	337,280
18 Administrative Expenses			
Personnel cost	(Note 18.1)	5,996,271	4,591,049
Office rent		-	700,000
Audit fees		126,411	-
Consultancy		990,111	743,327
Depreciation and amortisation		1,252,423	593,536
Utilities		497,548	309,457
General advertisement		3,648	-
Trade fees		4,004	5,600
Travelling		-	51,503
Printing and office supplies		149,945	39,328
Small tools and equipments		36,597	37,192
Bank charges		75,011	1,640
Meals and entertainment		17,722	-
Training		55,487	23,418
Other general administrative expenses		116,603	20,475
Total		9,321,781	7,116,525
18.1 Personnel Cost			
Staff salaries and allowances		5,144,921	3,699,862
Ramadan allowance		50,800	51,000
Staff visa, insurance expenses & safety expenses		10,495	2,100
Employee pension contributions		151,455	132,467
Board remuneration and fees		638,600	705,620
Total		5,996,271	4,591,049
19 Other Gains			
Gain on disposal		-	15,406
Total		-	15,406
20 Finance Cost			
Interest on lease liabilities		190,823	103,694
Total		190,823	103,694
21 Income Tax Expense			

In accordance with the provisions of the Income Tax Act No.25 of 2019, the relevant regulations and subsequent amendments thereto, the Company is liable for Income Tax on its taxable income at the rate of 15%. However, no tax provision has been recognised since the Company has incurred tax loss for the year.



FAHI DHIRIULHUN CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2021
All amounts are stated in Maldivian Rufiyaa

21 Income Tax Expense (Continued...)

	<u>31-Dec-21</u> MVR	<u>31-Dec-20</u> MVR
Loss before tax	(9,507,254)	(6,867,533)
Add:		
Depreciation expense	1,252,422	(254,236)
Other disallowable expenses	<u>1,457,513</u>	<u>1,387,986</u>
	(6,797,319)	(5,733,783)
Less:		
Capital allowances	172,158	153,256
Other allowable expenses	<u>2,474,839</u>	<u>1,358,370</u>
	2,646,997	1,511,626
Taxable loss for the period	<u>(9,444,316)</u>	<u>(7,245,409)</u>

22 Accumulated Tax Losses

Loss carried forward from the previous tax year	(9,333,391)	(2,087,982)
Tax loss for the current year of assessment	<u>(9,444,316)</u>	<u>(7,245,409)</u>
Total	<u>(18,777,707)</u>	<u>(9,333,391)</u>

23 Unrecognised Deferred Tax Asset

The deferred tax is arrived at by applying the income tax rate of 15% to the timing differences as at 31 December 2021.

Deferred tax asset on carry forward losses (Note 24.1)	1,416,647	1,150,394
Deferred tax asset / (liability) on temporary differences (Note 24.2)	30,861	(1,568)
Total	<u>1,447,509</u>	<u>1,148,827</u>

The deferred tax resulting from carried forwarded tax losses and on temporary differences has not been recognised in these financial statements since it is not probable that future profit will be available against which the Company can utilize the benefits therefrom.

24 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	(9,507,254)	(6,867,533)
Weighted average number of ordinary shares	<u>3,966,066</u>	<u>1,276,695</u>
Loss per share	<u>(2)</u>	<u>(5)</u>

25 Operating Loss before Working Capital Changes

Net loss	(9,507,254)	(6,867,533)
Depreciation	1,252,422	593,536
Gain on disposal	-	(15,406)
Finance cost	<u>190,823</u>	<u>103,694</u>
Total	<u>(8,064,009)</u>	<u>(6,185,709)</u>



FAHI DHIRIULHUN CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

All amounts are stated in Maldivian Rufiyaa

26 Related Party Transactions

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.

	31-Dec-21	31-Dec-20
	MVR	MVR
Maldives Fund Management Corporation		
Rentals	-	557,622
Receipts	-	(557,622)
CMDA		
Training	-	1,000
Payments	-	(1,000)
Dhiraagu		
Telephone and internet expenses	75,681	72,992
Payments	(69,199)	(65,194)
HDC		
Lease deposit	193,800	-
Payments	(193,800)	-
MED		
Work permit deposits	4,000	4,000
Payments	(4,000)	(4,000)
MPL		
Rentals	1,039,068	432,945
Payments	(1,039,068)	(432,945)
MWSC		
Water	-	1,139
Payments	-	(1,139)
STO		
General administration	1,890	4,215
Payments	(1,890)	(4,215)
STELCO		
Electricity	195,763	80,236
Payments	(195,763)	(20,118)
WAMCO		
Garbage disposal	4,140	1,862
Payment	(3,832)	(1,040)

26.1 Transactions with Key Management Personnel

The Board of Directors and Managing Director are the members of the key management personnel. During the year end 31 December 2021, total remuneration paid to Directors including Managing Director was MVR 1,115,235 (2020: MVR 1,217,927).



FAHI DHIRILHUN CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021
 All amounts are stated in Maldivian Rufiyaa

27 Contingencies and Commitments

27.1 Commitments

The Company has a lease contract that has not yet commenced as at 31 December 2021. The future lease payments for this lease contract are MVR 577,938 Within one year, MVR 3,852,918 Within five years and MVR 3,274,960 there after.

28 Changes in liabilities arising from financing activities

	31st December 2020	01-Jan-20	Cash flows	Foreign exchange movements	New Leases	Other Movements	31-Dec-20
Current portion of lease liabilities		-	(329,252)	-	329,252	848,245	848,245
Non-current interest bearing loans and borrowings		-	-	-	-	-	-
Non-current portion of lease liabilities		-	-	-	2,376,611	(848,245)	1,528,368
Total Liabilities from financing activities		-	(329,252)	-	2,705,863	-	2,376,611
		01-Jan-21	Cash flows	Foreign exchange movements	New Leases	Other Movements	31-Dec-21
Current portion of lease liabilities		848,245	(848,244)	-	-	937,067	937,068
Non-current interest bearing loans and borrowings		-	524,935,350	-	-	-	524,935,350
Non-current portion of lease liabilities		1,528,368	-	-	-	(937,067)	591,299
Total Liabilities from financing activities		2,376,611	524,087,106	-	-	-	526,463,717

29 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

29.1 Risk Management Framework

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



FAHI DHIRIULHUN CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

All amounts are stated in Maldivian Rufiyaa

29.2 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.

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

29.3 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):

	On demand	less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
31st December 2020						
Non-current interest bearing loans and borrowings	-	-	-	-	-	-
Current portion of lease liabilities	-	173,178	865,890	1,645,191	-	2,684,259
Non-current portion of lease liabilities	-	128,373	-	-	-	128,373
Total Liabilities from financing activities	-	301,551	865,890	1,645,191	-	2,812,632
31st December 2021						
Non-current interest bearing loans and borrowings	-	-	-	-	-	-
Current portion of lease liabilities	-	173,178	865,890	102,745,361	422,189,989	524,935,350
Non-current portion of lease liabilities	-	129,526	-	606,123	-	1,645,191
Total Liabilities from financing activities	-	302,704	865,890	103,351,484	422,189,989	526,710,067



FAHI DHIRIULHUN CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

All amounts are stated in Maldivian Rufiyaa

29.4 Operational Risk

Operational risk is the loss resulting from inadequate or failed internal processes, people and systems or from external events. The Corporation 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.

30 Events After the End of the Reporting Period

The company is in negotiations with the Lender whereby on 1 January 2022 the loan changed from referencing LIBOR + 3.25% to SOFR + 3.75%. This addition of a fallback is necessary because as a result of interest rate benchmark reform, LIBOR would cease to be published immediately after 31 December 2021 and the loan would have to transition to a replacement interest rate. The company has not yet finalised the LIBOR transition.

31 Directors Responsibility

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

32 Approval of Financial Statements

These financial statements were approved by the board of directors and authorised for issue on 8th June 2022.



Fahi Dhiriulhun Corporation Limited

6th Floor, Maldives Post Building

20026, Boduthakurufaanu Magu | Malé | Republic of Maldives

Tel: +960 331 3244 | Mobile: +960 721 8778 | Fax: +960 301 3846 | Email: info@fdc.mv

www.fdc.mv

