

# Maldives Industrial Development Free Zone Plc.

Annual Report 2024





Maldives Industrial Development Free Zone Plc.

STO Head Office Building, Boduthakurufaanu Magu, Male',

Republic of Maldives

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**Email:** info@midfz.com.mv **Website:** www.midfz.com.mv

**Definition** Annual Report 2024 comprises of the Annual Report of Maldives Industrial Development Free Zone Plc. (MIDFZ) prepared in accordance with the Companies Act of the Republic of Maldives (10/96), Listing rules of Maldives Stock Exchange, the Securities Act of Maldives Security Depository and Corporate Governance Code of Capital Market Development Authority Requirements. Unless otherwise specified in the Annual Report, the terms 'MIDFZ', 'we', 'us' and 'it' refer to Maldives Industrial Development Free Zone Plc. The word 'Company' refers to Maldives Industrial Development Free Zone Plc. References to the year in this report are, unless otherwise indicated, references to the Company's financial year ending 31st December 2024. All Financial statements of MIDFZ are prepared in accordance with International Financial Reporting Standards (IFRS).

Cautionary statement with regard to forward looking statements MIDFZ's Annual Report comprises of forward-looking statements that are based on current expectations or views, as well as expectations about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward looking statements frequently use words such as 'anticipate', 'target', 'expect', 'would', 'could', estimate', 'intend', 'plan', 'goal', 'believe', 'will', 'may', 'should' or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and MIDFZ plans and objectives to differ materially from those expressed or implied in the forward-looking statements. There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors are changes in the global, economic, political, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. MIDFZ cannot guarantee future results, levels of activity, performance or successes.



# **Contents**

- 1. Chairman's Statement Page 5
- 2. Managing Director's Review Page 6-7
- 3. Corporate Information Page 8
- 4. Corporate Profile Page 9-12
  - Company Overview
  - Mission & Vision
  - Key Milestones
- 5. Directors' Report Page 13-16
  - Financial Highlights
  - o Operational Highlights
  - o Strategic Initiatives
  - Future Outlook & Strategic Vision
- 6. Corporate Governance Page 17-25
  - o Governance Structure
  - Risk Management
  - Board of Directors
  - Committees
- 7. Ongoing Projects Page 26
- 8. Financial Statements Page 27-41
  - Independent Auditor's Report
  - Income Statement
  - o Balance Sheet
  - Statement of Changes in Equity
  - Cash Flow Statement
  - Notes to the Financial Statements
- 9. Contact Information Page 42

## **Chairman's Statement**

Maldives Industrial Development Free Zone Plc. Financial Year 2024

Dear Shareholders,

Over the past year, we have made significant strides in initiating core infrastructure projects, securing strategic investor interest, and laying the groundwork for our sustainable free zone. Despite global economic headwinds and the country's fiscal challenges, we remained focused on executing our strategic roadmap with resilience and efficiency.

Our efforts have centered on creating a conducive environment for future industrial growth, advancing sustainable development practices, and setting the stage for job creation for Maldivians. The initiation of key infrastructure projects and the formation of early partnerships reflect growing confidence in MIDFZ as a catalyst for long-term industrial growth.

Looking ahead, we are committed to positioning MIDFZ as a premier industrial and logistics hub in the Indian Ocean region. We will continue to prioritize innovation, environmental responsibility, and stakeholder engagement as we work toward realizing our vision of industrial prosperity for the Maldives.

On behalf of the Board of Directors, I extend my sincere gratitude to our employees, partners, government authorities, and shareholders for their continued support and trust. Together, we are building a resilient, prosperous, and sustainable future for the Maldivian industrial sector.

Thank you.

Sincerely,

Mohamed Mauroof Jameel

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Chairman

Maldives Industrial Development Free Zone Plc.

# **Managing Director's Review**

Dear Stakeholders.

It is with great pleasure that I present the Managing Director's review of Maldives Industrial Development Free Zone PLC for the financial year 2024. This year marked a significant milestone in our journey toward positioning Maldives as a regional industrial hub, and I am proud to share our key achievements, operational developments, and outlook for the future.

## **Operational and Financial Performance**

In 2024, MIDFZ remained in its pre-operating phase and did not generate any revenue during the year. The company recorded a net loss of MVR 1,001,594, reflecting foundational expenses related to setup, professional services, and regulatory compliance. Despite the absence of revenue, MIDFZ made significant progress in establishing its operational groundwork. Key developments included onboarding initial strategic partners, securing capital investments, and initiating major infrastructure projects such as the Rasmale reclamation and warehousing development. These early-stage milestones laid the foundation for future revenue-generating activities and reflect growing investor confidence in MIDFZ as a long-term industrial hub.

## Strategic Initiatives and Infrastructure Development

Our commitment to infrastructure development continued robustly. We invested USD 24 million in the Rasmale project, expanding industrial constellations, and enhancing connectivity within the zone, all aligned with our vision of becoming a logistics and reexport hub. Furthermore, to support sustainable growth, we initiated the 'Green Zone' project, targeting energy efficiency and waste reduction.

# Managing Director's Review (Continued)

### **Macroeconomic Context**

The Maldives economy demonstrated resilience in 2024, with GDP growth estimated at 6%, supported by a rebound in tourism, fisheries, and construction sectors. The government's infrastructure development plans and favorable foreign investment policies fostered a conducive environment for industrial expansion. The Maldives' strategic location along major shipping routes positions MIDFZ as an ideal gateway for regional and international trade.

Despite global economic uncertainties stemming from geopolitical tensions and supply chain disruptions, our zone's diversified tenant base mitigated risks, ensuring continued growth.

# Sustainable Development and Community Engagement

Sustainable development remains central to our strategy. Our CSR programs focused on skill development and employment for local communities, contributing to socio-economic upliftment.

## **Looking Ahead**

In 2025, our focus will be on attracting more high-value industries, advancing technological innovation, and reinforcing our commitment to sustainability. We aim to attract investors and expand our infrastructure to support more diverse industry verticals.

On behalf of the management team, I would like to thank our dedicated employees, investors, partners, and the Government of Maldives for their continued support. Together, we will strive to realize our vision of positioning Maldives as a sustainable industrial and logistical hub in the Indian Ocean.

Thank you.

Sincerely,

Shimad Ibrahim Managing Director

# **Corporate Information**

Name of the Company	Maldives Industrial Free Zone Plc.
Legal Form	MIDFZ is a company incorporated as a state- owned enterprise in the Republic of Maldives. It was established on 4th January 2024 by a Presidential Decree under the Companies Act No.10/96 and registered as a public company on the same day.
	MIDFZ is backed by five leading State Owned Enterprises of the Maldives: State Trading Organization Plc. (12%), Maldives Airports Company Limited (12%), Maldives Transport and Contracting Company Plc. (12%), Housing Development Corporation Limited (12%), and Maldives Ports Limited (12%). The remaining 40% is available for investment by strategic partners.
Company Registration Number	C00242024
Authorized Capital	MVR 1,542,000,000 (USD 100 million)
Chairman	Mr. Mohamed Mauroof Jameel
Managing Director	Mr. Shimad Ibrahim
Auditors	Deloitte Partners
Company Secretary	Ms. Hanan Hameed
Registered Address	STO Head Office Building, Boduthakurufaanu Magu, Male', Republic of Maldives

# **Corporate Profile: Company Overview**

### **About MIDFZ**

Established in 2024 as a Special Economic Zone company, MIDFZ is pioneering industrial development in the Maldives with USD 100 million in authorized capital and strategic government partnerships. Our mandate is to create a world-class industrial free zone that attracts foreign direct investment, promotes economic diversification, and creates sustainable employment opportunities for Maldivians.

As the premier industrial development free zone in the Maldives, we are strategically positioned to leverage the country's unique geographical location along major international shipping routes. This positioning enables us to serve as a vital link in global supply chains, offering businesses unparalleled access to markets across Asia, Africa, and beyond.

### **Our Shareholders**

MIDFZ is backed by five leading State-Owned Enterprises of the Maldives, providing a strong foundation and expertise across key sectors:

- State Trading Organization Plc. (12%) -Leading trade and import company
- Maldives Airports Company Limited (12%) -Airport operations and logistics
- Maldives Transport and Contracting Company Plc. (12%) - Transport and contracting services
- Housing Development Corporation Limited (12%) - Urban development and housing
- Maldives Ports Limited (12%) Port operations and maritime services

The remaining 40% is available for investment, open to strategic partners who share our vision for industrial development in the Maldives.





# Corporate Profile: Mission & Vision

### **Mission**

"To secure the economic security of vital commodities and establish a comprehensive Special Economic Zone that drives sustainable industrial development in the Maldives through strategic partnerships and innovative solutions."

### **Vision**

"To be the leading Economic Free Zone in the Indian Ocean region, recognized for environmental sustainability, innovative technologies, and comprehensive value-added processing capabilities."

# Corporate Profile: Core Values

The principles that guide our operations and shape our relationships with investors, partners, and the community we serve.

### Integrity

We conduct our business with the highest ethical standards, transparency, and accountability in all our operations. Our commitment to integrity ensures that all stakeholders can trust in our processes, decisions, and communications.

### Sustainability

We are committed to sustainable development practices that benefit both business and the environment. Our initiatives aim to minimize ecological impact while maximizing economic benefits, creating a balanced approach to industrial development.

### Quality

We maintain the highest quality standards in our infrastructure, services, and business practices.
Excellence in execution is fundamental to our operations, ensuring that our free zone meets international standards and expectations.

### **Partnership**

We believe in building long-term partnerships with our investors, stakeholders, and the local community. Collaborative relationships form the foundation of our success, creating mutual benefits and shared growth opportunities.

### **Innovation**

We embrace innovation and cutting-edge technologies to provide world-class industrial solutions. Our forward-thinking approach ensures that we remain at the forefront of industrial development trends and practices.

### **Excellence**

We strive for excellence in all our services, infrastructure, and partnerships, setting the highest standards for industrial development. Our commitment to excellence drives continuous improvement and ensures superior outcomes for all stakeholders.

# **Corporate Profile: Key Milestones**

From establishment to becoming a leading industrial development zone - our key milestones and achievements over the years.



These milestones represent our strategic roadmap for transforming the Maldives into a regional industrial hub. Each achievement builds upon the previous, creating a solid foundation for sustainable industrial development and economic growth.

# **Directors' Report: Financial Highlights**

For the Year Ended 31 December 2024

Item	Amount (MVR)
Revenue	0
Operating Profit	(1,001,594)
Net Profit after Tax	(1,001,594)
Total Assets	246,875,359
Total Equity	246,110,906
Dividend Declared	None

## **Operational and Financial Overview**

### MVR 0

### Revenue

The company reported no revenue for the year as it remained in its pre-operating phase.

### MVR 246.7M

### Infrastructure Investment

The company made a significant investment of MVR 246.7 million in non-current assets, primarily for the reclamation of Rasmale and development of warehousing and industrial infrastructure.

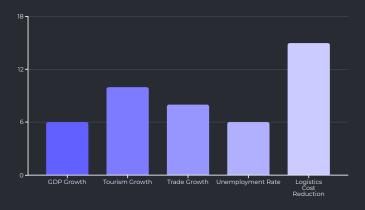
## **MVR 246.1M**

### **Equity Increase**

Total equity increased to MVR 246.1 million, reflecting the capital infusions to support the company's expansion and development plans.

# Directors' Report: Macroeconomic Environment

# Maldives Economic Indicators 2024



## **Key Economic Factors**

The Maldives' economy expanded by approximately 6% in 2024, rebounding from the pandemic's impact, led by a 10% growth in tourism, a critical sector for revenue and foreign exchange. This positive economic environment created favorable conditions for industrial development and investment.

Foreign Direct Investment (FDI) reached record inflows of USD 500 million, with notable investments in infrastructure, hospitality, and industrial sectors. This surge in investment demonstrates growing international confidence in the Maldivian economy and its potential for sustainable growth.

Regional trade via Indian Ocean ports increased by 8%, benefiting shipping and logistics services. This growth in regional trade activity underscores the strategic importance of the Maldives as a logistics hub and reinforces MIDFZ's positioning as a key player in regional trade facilitation.

The government introduced tax incentives and streamlined business licensing procedures, attracting more industrial investors. These policy reforms have significantly improved the ease of doing business in the Maldives, creating a more conducive environment for both domestic and international investors.

# **Directors' Report: Microeconomic Drivers**



# Regional Connectivity

The strategic location of MIDFZ along shipping routes cut logistics costs by 15%, making it an attractive base for value addition and re-export. Our positioning at the crossroads of major international shipping lanes provides businesses with unparalleled access to markets across Asia, Africa, and beyond, creating significant competitive advantages for companies operating within our free zone.



# Sector Diversification

Focused expansion into high-value sectors such as renewable energy manufacturing, electronics, and biotech, which demonstrate higher margins and growth potential. This strategic diversification not only enhances the resilience of our industrial ecosystem but also positions MIDFZ at the forefront of emerging industries with substantial growth prospects.



### **Labor Market**

The Maldives' unemployment rate reduced from 8% to 6% in 2024, driven by industrial sector employment, supporting tenant growth. This improvement in employment metrics reflects the positive impact of our industrial development initiatives on the local economy and underscores the role of MIDFZ in creating sustainable employment opportunities for Maldivians.

These microeconomic drivers collectively create a favorable environment for industrial development and investment within MIDFZ. By leveraging these factors, we continue to enhance our value proposition to potential investors and strengthen our position as the premier industrial free zone in the Maldives.

# Directors' Report: Future Outlook & Strategic Vision

Building on our solid foundation, our vision for 2025 and beyond is centered on sustainable growth and regional leadership:

### **Expanding Industrial Verticals**

Targeting high-tech industries, renewable energy equipment manufacturing, and pharmaceuticals, aiming to increase project diversity to over 20 companies by year-end.

This diversification strategy will enhance the resilience of our industrial ecosystem and create new opportunities for value-added manufacturing and services.

### Infrastructure & Digital Transformation

Allocating USD 100 million for Maldives Economic Gateway (MEG), a comprehensive infrastructure development initiative that will enhance connectivity, improve logistics capabilities, and integrate digital technologies across our operations. This investment will significantly upgrade our physical and digital infrastructure, creating a world-class environment for industrial activities.

### Sustainable Development

Committing to the United Nations Sustainable Development Goals (SDGs), aiming for a 30% reduction in greenhouse gas emissions through solar power integration and waste recycling programs. Our sustainability initiatives will not only reduce our environmental footprint but also create new opportunities in green industries and circular economy solutions.

### **Market Penetration**

Developing trade corridors with friendly countries like India and China to facilitate regional trade, leveraging regional economic integration agreements. These strategic partnerships will enhance our market access and create new opportunities for businesses operating within our free zone.

Our long-term vision is to position the Maldives as the premier industrial, trade, and logistics hub in the Indian Ocean region, creating sustainable economic opportunities and enhancing the country's global competitiveness.

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# **Corporate Governance Statement**

At Maldives Industrial Development Free Zone PLC (MIDFZ), our commitment to robust corporate governance guides our strategic decision-making, ensuring transparency, accountability, and sustainability. In 2024, we continued to integrate the principles of the triple bottom line — people, planet, and profit—into our governance framework, aligning responsible business practices with economic growth and social responsibility.

### **Governance Framework**

Our governance structure comprises a Board of Directors, various Board Committees, and executive management, all operating within a culture of integrity and ethical conduct. The Board oversees strategic direction, risk management, and compliance, while committees focus on audit, sustainability, and stakeholder engagement.

## **Economic Responsibility**

- Transparency & Accountability: We adhere
  to high standards of financial reporting,
  with the Audit Committee overseeing
  internal controls and external audits to
  ensure accuracy and compliance.
- Sustainable Growth: Strategic investments and infrastructural upgrades form the backbone of our economic initiatives, fostering operational efficiency and broadbased employment.
- Stakeholder Engagement: Regular stakeholder consultations ensure our policies align with investor expectations and national economic priorities.

# Social & Environmental Responsibility

- Labor Practices: We uphold fair labor standards, ensuring safe working conditions and equal opportunities across all operations. Our workforce comprises 100% local employees, reflecting our commitment to national development.
- Employee Wellbeing: Ongoing training, health and safety programs, and career development initiatives underpin our commitment to fostering a resilient and motivated workforce.
- Sustainability Policies: We integrate environmental considerations into our operations, seeking to minimize ecological impact.

# Corporate Governance: Risk Management & Compliance

Our internal control systems and risk management processes are designed to identify, evaluate, and mitigate potential risks, including environmental, social, and financial threats. Compliance with all applicable laws, regulations, and international standards remains a top priority.



### **Future Governance Commitments**

Looking forward, MIDFZ aims to enhance transparency through digital reporting tools, strengthen stakeholder engagement via regular forums, and deepen sustainability integration across all levels of governance.

Our corporate governance practices uphold our commitment to the triple bottom line—ensuring that our growth contributes positively to the economy, society, and the environment. We believe responsible governance empowers us to deliver sustainable value to our stakeholders and build a resilient future for the Maldives.

# Corporate Governance: Organizational Structure

Our organizational structure reflects the collaborative leadership of the five shareholder companies, with executive management ensuring operational excellence.

### **Board of Directors**



Mr. Shimad Ibrahim

Representing STO



Mr. Ibrahim Shareef
Mohamed

Representing MACL



Mr. Mohamed Mauroof

Jameel

Representing HDC



Dcp (Retd.) Mohamed
Rishwan

Representing MPL



Dcp (Retd.) Ahmed Saudee

Representing MTCC



Mr. Ibrahim Fazul Rasheed

Former director representing HDC Director from 7th January 2024 till 16th january 2025



Mr. Abdulla Ziyad

Former director representing MTCC Director from 7th January 2024 till 21st August 2024



Mr. Mohamed Wajeeh Ibrahim

Former director representing MPL Director from 7th January 2024 till 15th April 2025

### Mr. Mohamed Mauroof Jameel



**Director**Appointed as Director representing Housing Development
Corporation on 17th
January 2025.

Mr. Mohamed Mauroof Jameel is a Maldivian architect, illustrator, and researcher with more than 30 years of experience in architecture, teaching, and management.

He is the leading expert on the architectural heritage of the Maldives and is internationally recognized for his expertise in coral stone architecture. Mr. Mauroof has widely published, presented papers, and exhibited work on the architectural heritage of the Maldives, including his two books on the coral stone mosques of the Maldives and Maldivian resort architecture.

He served the Maldivian government for 19 years in high-level positions, most notably as a cabinet minister, contributing significantly to the development of the country's construction, infrastructure, and housing sectors. He played pioneering roles in the development of Hulhumalé, HDC, and HDFC.

Mr. Mauroof strongly believes that a sustainable approach to design—one that respects the past—is the best path forward for future development.

### Mr. Shimad Ibrahim



Managing Director
Appointed as Director
representing State Trading
Irganization Plc on 7th
January 2024

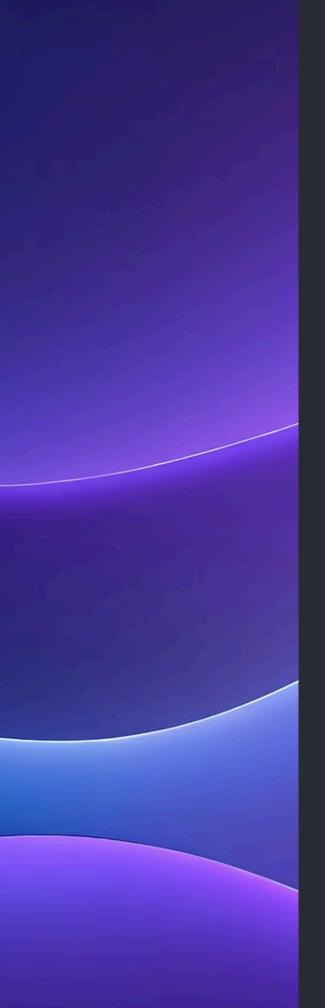
# **Board Committees:**Nomination and Remuneration Committee.

A Chartered Accountant with over 20 years of professional experience, he holds a Bachelor of Accounting (Honors) degree from the International Islamic University of Malaysia, where he was recognized as the Best Student in Management Accounting.

Currently, Shimad is the Managing Director of State Trading Organization Plc, Director at SFG Corporate Services, SFG Logistics, S&A Tax and Financial Services, and Lisa Maldives.

Additionally, he serves as the Chairman at Maldives
National Oil Company Ltd. His extensive career includes
leadership roles such as Chief Financial Officer at Villa
Group, Head of Finance at Maldives Islamic Bank, and
Chief Finance Executive at the Ministry of Finance. He
has also served as a Board Director at Maldives Islamic
Bank PLC, Maldives Tourism Development Corporation
PLC, Thilafushi Corporation Limited, and Upper South
Utilities Limited. Furthermore, Shimad has contributed
to national financial matters as a member of the National
Debt Management Committee.





### Mr. Ibrahim Shareef Mohamed



**Director**Appointed as Director representing Maldives
Airports Company
Limited on 7th January
2024

**Board Committees:**Audit and Risk
Committee.

Mr. Ibrahim Shareef Mohamed, a distinguished alumnus of Deakin University, Australia, holds a Master of Commerce and has demonstrated exceptional leadership in various state-level roles.

His illustrious career includes serving as Commissioner General of Customs, Chairman of the Transport Authority, Fuel Supplies Maldives, Maldives Gas, and Allied Insurance Company. As CEO of Maldives Ports Limited and Executive Board Director of the State Trading Organization (STO), he made significant contributions. Notably, Mr. Shareef, a trailblazer in corporate governance, became the first elected board member from among public shareholders at Dhivehi Raajjegeyge Gulhun Plc.

Beyond corporate achievements, he founded G.DH.Thinadhoo Corporate Society, the Maldives' first Corporate Society, showcasing visionary leadership, strategic vision, and unwavering commitment to positive change in public and private sectors

## Dcp (Retd.) Ahmed Saudee



### Director

Appointed as Director representing Maldives Transport and Contracting Company public Limited on 21st August 2024

### **Board Committees:**

Audit and Risk Committee.

Nomination and Remuneration
Committee.

Dcp (Retd.) Ahmed Saudee, a seasoned law enforcement professional, served with distinction in law and enforcement institutions from April 1992 to February 2018. Over his 25-year career, he progressed through the ranks to Deputy Commissioner of Maldives Police Service, showcasing exemplary leadership and management skills.

His service began with the National Security Service (Maldivian Army), transitioning to Maldives Police Service in 2004. Throughout his career at Maldives Police Service, Mr. Saudee held key roles, including Head of Specialist Operations, Crime Investigation Command, and Divisional Operations Command. He was promoted to Chief Inspector in 2010 and further to Chief Superintendent of Maldives Police in 2011, assuming responsibilities at the Senior and Executive Management levels. His tenure as Deputy Commissioner of Maldives Police commenced in December 2013.

DCP (RETD) Mr. Saudee also has extensive leadership experience in the corporate sector, having served as Chief Operating Officer at Elite Medical Center from January 2020 to October 2021. In this role, he was responsible for overseeing overall operations and ensuring the smooth and efficient functioning of the organization. After his time at Elite Medical Center, he joined Ibiz Holdings Private Limited as General Manager in November 2021. During his tenure, which lasted until March 2023, Mr. Saudee managed the company's diverse business activities, playing a key role in its growth and strategic development.

Mr. Saudee's leadership was instrumental in strategic and operational planning, and institutional development. He played a pivotal role in shaping Maldives Police Service, particularly through his involvement in Maldives Police Service's Disciplinary and Executive Boards and as Chairperson of the Promotion Board from 2016 to 2018.

DCP (RETD) Mr. Saudee has successfully completed the Criminal Justice Education program at the prestigious University of Virginia, USA. His professional development also includes training at renowned institutions such as the Sardar Vallabhbhai Patel National Police Academy in India, the Scottish Police College, and the FBI National Academy. Additionally, he holds a Diploma in Police Management from the Scottish Police College.



## DCP (Retd.) Mohamed Rishwan



# **Director**Appointed as Director representing Maldives

Ports Limited on 21st April 2025

### **Board Committees:**

Audit and Risk
Committee.
Nomination and
Remuneration
Committee.

DCP (Retd.) Mohamed Rishwan has extensive experience in corporate leadership, institutional management, and strategic operations.

Throughout his career, he has demonstrated a proven track record in executive roles, successfully leading organizations in security consultancy and healthcare. Previously, he served as Deputy Director General, Operations, and Deputy CEO of Indira Gandhi Memorial Hospital (IGMH), playing a pivotal role in enhancing daily operations and facilitating the commencement of services at Dharumavantha Hospital.

His leadership experience also extends to the private sector, where he has held executive roles in organizations within the safety and security industry as well as healthcare. Before transitioning into corporate leadership, Rishwan had a distinguished career in law enforcement and security.

As the former Deputy Commissioner of Police in the Maldives, he was instrumental in national security operations, counterterrorism strategies, and law enforcement training. His expertise includes managing large-scale public safety initiatives, overseeing critical incidents, and leading specialized task forces.

# Corporate Governance: Committee Structure and Executive Leadership

### **Audit and Risk Committee**



Mr. Ibrahim Shareef Mohamed

Chairman



Dcp (Retd.) Ahmed Saudee

Member



Dcp (Retd.) Mohamed Rishwan

Member

### **Nomination and Remuneration Committee**



Mr. Shimad Ibrahim

Chairman



Dcp (Retd.) Mohamed Rishwan

Member



Dcp (Retd.) Ahmed Saudee

Member

### **Executive Leadership**



Dr. Mohamed Shafeeq

CEO Appointed on 27th January 2025



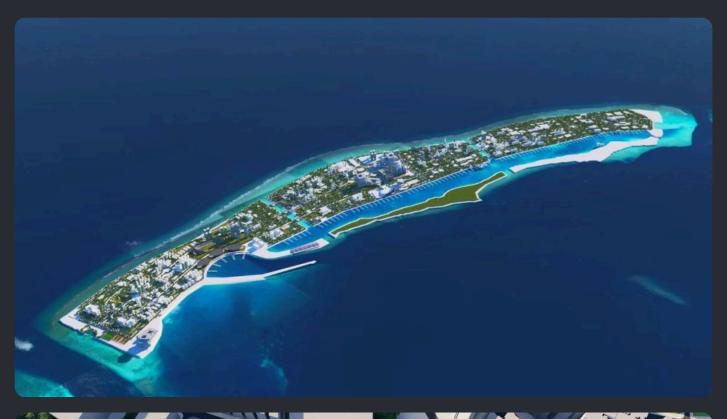
Mr. Shimad Ibrahim

Managing Director



Ms. Hanan Hameed

Company Secretary





Maldives Industrial Development Free Zone Plc. (Incorporated in the Republic of Maldives)

Financial Statements 31st December 2024



#### **Deloitte Partners**

H.Thandiraimage, 3rd floor Roshanee Magu Malé, Republic of Maldives

Tel: +960 3318342, 3336046

Fax: +960 3314601 www.deloitte.com

### INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Maldives Industrial Development Free Zone Public Limited

### **Report on the Audit of the Financial Statements**

### Opinion

We have audited the financial statements of Maldives Industrial Development Free Zone Public Limited (the Company) which comprise the statement of financial position as at 31 December 2024, and the statement of pre-operating expenses, the statement of changes in equity and the statement of cash flows for the period 7 January 2024 to 31 December 2024 and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the period 7 January 2024 to 31 December 2024 in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities* for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as issued by International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

C.S. Manoharan FCA, T.U. Jayasinghe FCA, Jatindra Bhattray FCA, Prasanta Misra FCA, Mohamed Siraj Muneer FCA

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

### Deloitte.

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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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.
- 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.

### Deloitte.

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.

For and on behalf of Deloitte Partners

Licensed Partner: Mohamed Siraj Muneer

License No: ICAM-IL-DZK

Mannee frag.

17 June 2025

### 31st December 2024

### Statement of pre-operating expenses

(All amounts in Maldivian Rufiyaa unless otherwise stated)

Period from 7
January to 31
December 2024

Pre-operating expenses 4 (1,001,594)

Net loss attributable to the equity holder of the Company during the year (1,001,594)

5

Loss per share for loss attributable to the equity holders of the Company during the year

(0.06)

The notes on pages 8 to 14 form an integral part of these financial statements.



# MALDIVES INDUSTRIAL DEVELOPMENT FREE ZONE PUBLIC LIMITED 31st December 2024

### Statement of financial position

(All amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	As at 31 December 2024
ASSETS		
Non-current assets		
Capital work-in-progress	6	246,720,000 246,720,000
Current assets		
Cash and cash equivalents	7	155,359 155,359
Total assets		246,875,359
EQUITY AND LIABILITIES		
Equity		
Share capital	8	247,112,500
Accumulated losses		(1,001,594)
Total equity		246,110,906
Liabilities		
Current liabilities		
Trade and other payables	9	764,453
Total liabilities		764,453
Total equity and liabilities		246,875,359

These financial statements were approved by the Board of Directors on 15. June 2025

Shimad Ibrahim Managing Director

Ibrahim Shareef Mohamed

Director

The notes on pages 8 to 14 form an integral part of these financial statements.

Deloitte Partners

\*

Male', Maldives

# MALDIVES INDUSTRIAL DEVELOPMENT FREE ZONE PUBLIC LIMITED 31st December 2024

### Statement of changes in equity

(All amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	Share capital	Accumulated losses	Total
Issue of shares	8	247,112,500	- T	247,112,500
Loss for the period		-	(1,001,594)	(1,001,594)
Balance at 31 December 2024		247,112,500	(1,001,594)	246,110,906

The notes on pages 8 to 14 form an integral part of these financial statements.



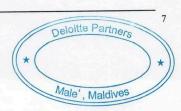
# MALDIVES INDUSTRIAL DEVELOPMENT FREE ZONE PUBLIC LIMITED 31st December 2024

### Statement of cash flows

(All amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	Period from 7 January to 31 December 2024
Cash flows from pre-operating activities		
Loss for the period		(1,001,594)
Changes in working capital:		
- Trade and other payables	9	764,453
Net cash used in pre-operating activities		(237,141)
Cash flows from investing activities		
Additions to capital work-in-progress	6	(246,720,000)
Net cash used in investing activities		(246,720,000)
Cash flows from financing activities		
Issue of shares during the period	8	247,112,500
Net cash generated from financing activities		247,112,500
Net increase in cash and cash equivalents		155,359
Cash and cash equivalents at end of the period	7	155,359

The notes on pages 8 to 14 form an integral part of these financial statements.



### 31st December 2024

### Notes to the financial statements

(All amounts in Maldivian Rufiyaa unless otherwise stated)

#### 1 General information

These financial statements relate to Maldives Industrial Development Free Zone Public Limited (the 'Company'), a limited liability company registered in Maldives.

The principal activity of the Company is to engage in trade facilitation through the establishment and development of free trade zones, with a focus on supporting large-scale importation and re-export operations to enhance international trade and optimize profitability. The address of its registered office is Kanbaa Aisa Rani Hingun, Maafannu, Malé 20345, Republic of Maldives.

The Company is registered on 7 January 2024 in the Republic of Maldives with the Registrar of companies under the Companies Act 07/2023.

### 2 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

### 2.1 Basis of preparation

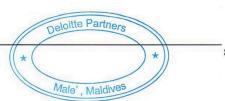
The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board. The financial statements have been prepared on a historical cost basis.

The preparation of financial statement in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant.

### 2.2 Going concern

The Company has incurred a net loss of MVR 1,001,594 during the period from 7 January 2024 to 31 December 2024 and has accumulated losses of MVR 1,001,594 at the reporting date. At that date, the Company's current liabilities exceeded its current assets by MVR 609,094. The financial statements have nevertheless been prepared on the basis of the Company being a going concern on the assumption that the shareholders will contribute the unpaid share capital to fund the working capital requirements for a period of that at least one year from the date of these financial statements.

If the Company is not a going concern, provision would have to be made to reduce the value of assets to their estimated recoverable amounts, and for any further liabilities that may arise in a winding up. In addition, fixed assets and long term liabilities will have to be reclassified as current assets and current liabilities.



8

#### 31st December 2024

### Notes to the financial statements (continued)

(All amounts in Maldivian Rufiyaa unless otherwise stated)

### 2.3 Changes in accounting policies

### Adoption of new or revised standards and interpretations

### (a) New and amended accounting standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting periods commencing 7 January 2024. Most of the amendments listed below did not have any significant impact on amounts recognised in prior periods and are not expected to significantly affect current or future period. The Company did not have to apply its accounting policies as a result of adopting these standards:

- i. Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance.
- ii. Arrangements Amendments to IAS 1 Classification of Liabilities as Current or Non-current. Amendments to
- iii. Amendments to IAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants.
- iv. Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback.

### (b) New and amended standards and interpretations issued but not yet effective.

A number of new standards for annual periods beginning after 01 January 2025 and earlier application is permitted; however, the Company has not early adopted the amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's consolidated financial statements.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability.
- IFRS 18 Presentation and Disclosures in Financial Statements.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

### 2.4 Financial assets (Non-derivative)

### (i) Classification

The Company classifies its financial assets in the following measurement category:

· those to be measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in the profit or loss.



### 31st December 2024

### Notes to the financial statements (continued)

(All amounts in Maldivian Rufiyaa unless otherwise stated)

### 2.4 Financial assets (Non-derivative) (continued)

### (ii) Measurement (continued)

• Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

### (iii) Impairment

The company has no trade receivables and other financial assets as at the year-end and therefore no provision is required to be made for expected credit loss under IFRS 9.

### 2.5 Foreign currency translation

### (a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in MVR, which is the Company's functional and presentation currency.

### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'Other (losses)/gains – net'.

### 2.6 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest of levels for which there are separately identifiable cash flows (cash- generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.



#### 31st December 2024

### Notes to the financial statements (continued)

(All amounts in Maldivian Rufiyaa unless otherwise stated)

### 2.7 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes deposits held at call with bank and other short-term highly liquid investments with original maturities of three months or less.

### 2.8 Trade payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.9 Income tax

Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Income tax is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax computation with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The provisions for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Income Tax Act.

### 2.10 Comparatives

This set of financial statements are the first set to be prepared since the date of incorporation of the company and therefore, there are no comparatives.

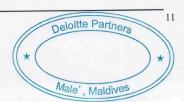
### 3 Financial risk management

### 3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk) and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Board of Directors on specific areas such as foreign exchange risk and the liquidity risk.

The main risks arising from the Company's financial instruments are foreign exchange risk, and liquidity risk.



#### 31st December 2024

### Notes to the financial statements (continued)

(All amounts in Maldivian Rufiyaa unless otherwise stated)

### 3 Financial risk management (continued)

### 3.1 Financial risk factors (continued)

(a) Market risk - Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Management has set up a policy to require the Company to manage their foreign exchange risk against their functional currency.

### b) Liquidity risk

The Company actively monitors and manages it's free cash position along with available funding to ensure that it complies with its obligations to creditors whilst meeting its working capital requirements. The Company aims to maintain liquidity by obtaining funds from the shareholders.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	and 5 years	Later than 5 years
	764,453				
Trade and other payables	704,433				

### 3.2 Capital risk management

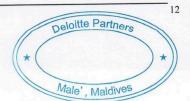
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total trade and other payables less cash and cash equivalents. Total capital is calculated as "equity", as shown in the statement of financial position, plus net debt.

The gearing ratios at 31 December 2024 as follows:

Total liabilities (Note 16)	764,453
Less: cash and cash equivalents (Note 8)	(155,359)
Net debt	609,094
Equity	246,110,906
Total equity	246,110,906
Total capital	246,720,000
Gearing ratio	0.25%



### 31st December 2024

### Notes to financial statements (continued)

(All amounts in Maldivian Rufiyaa unless otherwise stated)

### 9 Trade and other payables

	2024
Professional fee payable to related party (Note 12)	687,333
Excess share application money received (Note 12)	20
Accrued audit fee	77,100
	764,453

### 10 Contingencies

Contingent liabilities

There were no material contingent liabilities recognised at the reporting date.

Contingent assets

There were no material contingent assets recognised at the reporting date.

### 11 Commitments

Capital commitments

The Company has entered into an agreement with Mohan Mutha Exports Private Limited on 6 June 2024 for dredging, reclamation and shore protection for Rasmale site. The unexecuted and unbilled amount outstanding under this contract as of the reporting date is USD 224,234,382.

Financial commitments

There were no financial commitments as at the reporting date.

### 12 Related party disclosures

The following transactions were carried out with related parties:

Name of the Company	Nature of Transaction	2024
State Trading Organization PLC (Shareholder with significant influence)	Professional fee paid on behalf of the company	685,333
	Annual fee paid on behalf of the company	2,000
Housing Development Corporation (Shareholder with significant influence)	Excess share application money received	20
Payables to related parties (Note 9)		2024
State Trading Organization PLC		687,333
Housing Development Corporation		20
		687,353

### 13 Events after reporting date

Subsequent to the reporting date, the company has made continued progress on the dredging, reclamation, and shore protection project at the Rasmale site. As at 29 May 2025, the management estimates the reclamation completion to be 21.99%. The project is ongoing, and the Company is actively managing its execution to meet the planned schedule.

There were no other material events occurred after the reporting period that requires adjustments to or disclosure in the financial statements other than the item disclosed above.



### 31st December 2024

### Notes to financial statements (continued)

(All amounts in Maldivian Rufiyaa unless otherwise stated)

4	Pre-operating expenses	Period from 7 January to 31 December 2024
	Salaries and wages	52,645
	Permit, license and tax	2,000
	Professional fee	869,849
	Audit fee	77,100
		1,001,594
	Classified as:	
	Pre-operating expenses	1,001,594

### Losses per share

Losses per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	January to 31 December 2024
Loss attributable to equity holders of the Company	(1,001,594)
Weighted average number of ordinary shares in issue	15,420,000
Basic losses per share	(0.06)

#### 6 Capital work-in-progress

The Company is currently developing Rasmale' project and the amount represents the reclamation, construction related expenses and advances paid to the contractor.

	2024
Opening balance	
Additions during the period	246,720,000
	246,720,000
Closing balance	240,720,000
Cash and cash equivalents	
	2024

### 7

Cash at bank	155,359
	155,359

#### 8 Share capital

shares	Ordinary shares
2,471,125	247,112,500
2,471,125	247,112,500
	2,471,125

The authorized capital of the company is, 100 MVR per share of 15,420,000 shares of which 9,252,000 shares have been issued. Of the issued shares, 2,471,125 shares have been fully paid up.





# **Contact Information**

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