

Annual Report 2024





This Annual Report of the Maldives Industrial Fisheries Company Limited (MIFCO) is prepared in accordance with the Companies Act of the Republic of Maldives (Law No. 07/24) and the Corporate Governance Code for State-Owned Enterprises (SOEs) issued by the Privatization and Corporatization Board (PCB). The accompanying financial statements comply fully with International Financial Reporting Standards (IFRS) and cover the financial year ended 31 December 2024.

In addition to statutory financial disclosures, the Report highlights MIFCO's performance in key environmental, social, and governance (ESG) areas, prepared with reference to the PCB's Guideline on Sustainability Reporting for SOEs. It reflects MIFCO's operations and activities from 1 January to 31 December 2024.



CORPORATE INFO

Chief Executive Officer

Brigadier General Retired Farhath Shaheer

HEAD OFFICE

Maldives Industrial Fisheries Company Limited

Hilaalee Magu , Block No:389

Male', Republic of Maldives.

Tel: +960 3323932

Website: mifco.mv

Email: info@mifco.mv

OPERATIONAL CENTRES

Felivaru Fisheries Complex

Lh.Atoll

Kooddoo Fisheries Complex

Ga.Atoll

Kandu Oiy Giri Fish Village

Kaafu'Atoll

Addu Fisheries Complex

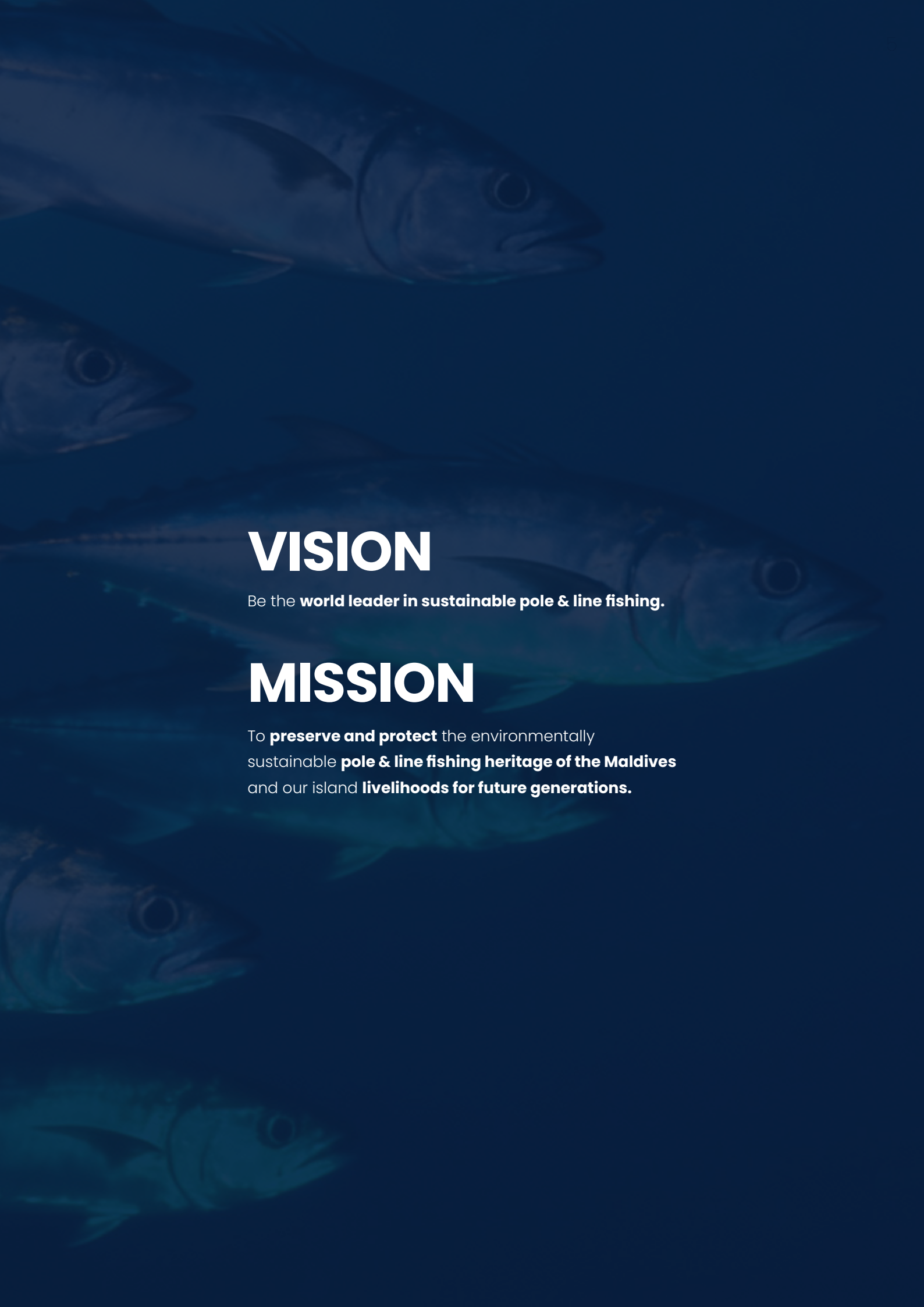
Addu Atoll

COMPANY REGISTRATION NUMBER

C-173/1993

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VISION

Be the **world leader in sustainable pole & line fishing.**

MISSION

To **preserve and protect** the environmentally sustainable **pole & line fishing heritage of the Maldives** and our island **livelihoods for future generations.**

OUR COMPANY

Maldives Industrial Fisheries Company Ltd (MIFCO) is the state-owned fishing company established with the sole purpose of creating economic opportunities for the local fishing community and to support the Maldives economy. Incorporated in 1993, MIFCO is the champion in transforming the fishing industry of the Maldives by adding commercial value to the daily catch. MIFCO is engaged in processing and export of tuna, tuna products, and other fishery products. MIFCO has 4 processing facilities, Felivaru Fisheries Complex, Kooddoo Fisheries Complex, Kanduoigiri Fish Village and Addu Fisheries Complex. In addition, MIFCO Masfihaara sells different products for the local market produced at the above factories under MIFCO's own brand name "Fasmeeru".

FELIVARU FISHERIES COMPLEX (FFC)

Felivaru Fisheries Complex (FFC) was established in 1977 as a joint venture between the Maldivian Government and a Japanese company, operating an 8MT cannery. When the Japanese partner withdrew from the venture, the Government took over the plant in 1982. The cannery was upgraded and modernized into a fully integrated 50MT facility, complete with its own can-making plant, fishmeal plant, blast freezers, cold storage, and related infrastructure.

Located in the northern region of the Maldives, Felivaru primarily produces canned tuna. The EU-approved cannery (MDV 001) offers private label packaging according to customer specifications. Renowned brands contracted with Felivaru include Waitrose, Marks & Spencer, Sainsbury's, and Migros. All raw materials are sourced directly from local fishermen using the environmentally friendly pole-and-line fishing method. Fresh catch is available year-round, and the cannery is supported by a raw material storage capacity exceeding 5,000 MT. Quality: FFC maintains its quality management systems in accordance with ISO 9001:2000, ISO 9002, BRC Global Standards, and HACCP (Hazard Analysis and Critical Control Points). Its laboratory operations have been accredited under the Campden Laboratory Accreditation Scheme (CLAS) of CCFRA since 1998. Additionally, Felivaru cannery holds FSSC 22000 certification. Ethical Standards: The facility complies with global ethical standards, including BSCI and SMETA. Eco Labelling: Felivaru holds Dolphin Safe, MSC (Marine Stewardship Council), and TRACEABILITY certifications, including Catch Certificates and Trace Register systems.



KOODDOO FISHERIES COMPLEX (KFC)

KFC in the south of the country started its operations in 1996. KFC has the capacity to freeze 260MT daily and has a 2,000-ton cold storage. At the south of Maldives, KFC has the facility to freeze and export tuna. Main market is currently Thailand. All skipjack exported is MSC certified. Fishermen lands fish to KFC jetty as well as collector vessels in the area. Fish is brine frozen and stored in cold chambers after being sorting out species and sizes. Kooddoo also provides ice to fishermen along with other essentials supplies such as fuel, water and convenient store service.

ADDU FISHERIES COMPLEX (AFC)

Located in South of Maldives, AFC has the facility to freeze and export tuna. Mifco has invested in additional 1500MT cold store and processing facility at the southern end of Maldives. As public investment in fisheries grew, Addu Atoll region has been contributing a major portion of fish landing. To accommodate the increased fish landing, the necessity for a land based cold store facility was crucial. Main support facilities includes 210 meter berthing facilities for fishing vessels and collector vessels, a desalination plant, water storage and distribution system and warehousing facilities for raw materials and finished products. The plant is also incorporated with a laboratory for testing the quality of fish landing.

KANDUOIY GIRI FISH VILLAGE (KOG / KfV)

The operation at Kanduoigiri Fish Village (KfV) began in February 1999. Since then, the facility has produced value-added tuna products based on market demand and raw material supply. This EU-approved plant (MDV 002) has the capacity to produce 20 metric tons of vacuum-packed loins and 30 metric tons of whole fish per shift. The factory operates under ISO certification and follows HACCP principles. It has also received the BRC (British Retail Consortium) Global Standard for Food Safety certification—one of the highest standards in the global food industry. Additionally, the laboratory is accredited under the Campden Laboratory Accreditation Scheme (CLAS).

In 2024, Kanduoigiri was removed from MIFCO's operations and handed over to the MNDF.



OUR PRODUCTS

MIFCO has been leading the fishing industry in the Maldives by processing and trading tuna and related value-added products. The sustainable practices employed by local fishermen are well-regarded in international markets.

Fasmeeru, a flagship brand launched in 1998 by MIFCO, is dedicated to delivering premium value-added fish products to the Maldivian market. Renowned for its commitment to hygiene, taste, convenience, and affordability, Fasmeeru sets the standard for quality, offering a wide range of products including canned, frozen, and dried tuna sourced sustainably from Maldivian waters. Through continuous innovation and a focus on customer satisfaction, Fasmeeru has become a trusted choice for healthy and convenient tuna brand



CANNED TUNA

MIFCO's canned tuna is processed exclusively from Pole & Line caught tuna, which is MSC certified, ensuring both sustainability and premium quality. Each can is prepared under strict international food safety and quality standards, preserving the natural flavor and nutritional value of the tuna.

Fasmeeru brand canned tuna was the first of its kind introduced to the Maldivian market and, to this day, holds the leading market share in terms of quality and reputation. The brand has become a trusted household name, recognized for its consistency, freshness, and authentic Maldivian taste.





TUNA POUCH

We offer the same taste and freshness of tuna chunks packed in a more convenient and suitable packing. Our quality is well maintained at all stages of production similar to our highly reputed canned tuna. We cater our pouches to local catering companies, resorts, mass producers, locally and internationally.

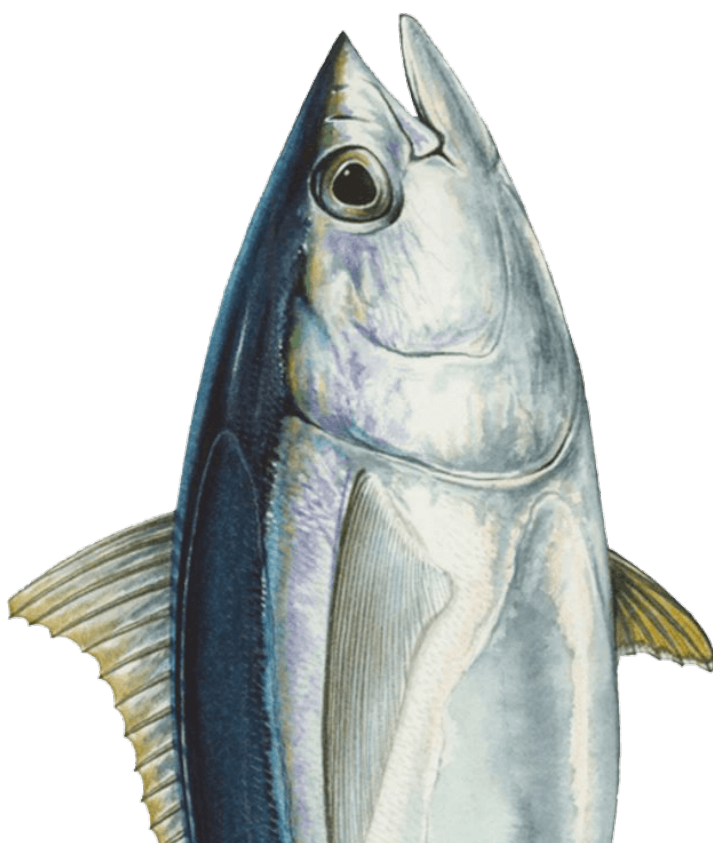
SMOKED & DRIED TUNA

Our premium tuna is carefully cooked in brine, then expertly smoked and sun-dried to achieve a rich, savory flavor that captures the authentic taste of the Maldives. Each piece is prepared with meticulous attention to quality, ensuring a product that is both flavorful and versatile. Ideal for catering and culinary applications, our smoked and dried tuna enhances a wide range of dishes — from hearty curries and stir-fries to appetizers, snacks, and gourmet creations. Its convenient preparation and robust flavor make it a staple for chefs and home cooks seeking to elevate their culinary offerings.



FROZEN TUNA & CHILLED TUNA

Adhering to the European Standards, MIFCO has evolved as a reputable brand, renowned for its emphasis on quality and sustainability. All chilled products are sourced from fresh landings while maintaining unbroken cold chain that is to maintained until the product reaches its final destination. Frozen Skipjack tuna is processed from MSC certified Pole & Line caught tuna. The process is done by both blast and brine freezing. Given the unique styled same-day fishery that is predominant in Maldives, processors and traders of fish does not differentiate between land or sea based freezing. Main frozen species include Skipjack tuna Yellowfin Tuna.



ACTING CHAIRMAN'S STATEMENT



On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Maldives Industrial Fisheries Company (MIFCO) for the year ended 31 December 2024.

The year 2024 presented unprecedented challenges for MIFCO. Our revenue declined by 46% compared to 2023, driven primarily by significantly lower fish landings and a corresponding reduction in fish purchases across our operations. Additionally, MIFCO underwent a major leadership transition during the year—a period that naturally brings uncertainty and adjustment for both employees and stakeholders alike.

However, it is during such testing times that the true strength of an organization becomes evident. The unwavering commitment and exceptional resilience demonstrated by our executive team and staff ensured not only continuity of operations but also sustained service quality throughout this transition period. Their dedication exemplifies the spirit that has long defined MIFCO.

Despite the operational and financial headwinds we faced, MIFCO achieved one of our most critical objectives: ensuring timely payments to our fishermen. In alignment with the government's initiative to strengthen support for the fishing sector, we successfully maintained our commitment throughout 2024 to process payments within 48 hours of fish delivery.

This achievement is more than an operational metric—it represents the combined dedication of both the government and MIFCO to supporting the fishing communities who form the backbone of our industry and whose livelihoods depend on the reliability and integrity of our partnership. We are proud to have operationalized this government initiative effectively, ensuring that policy translates seamlessly into tangible benefits for our fishermen.

As we move forward, the Board remains fully committed to strengthening MIFCO's pivotal role in the national economy and enhancing the livelihoods of Maldivian fishermen. While we acknowledge the ongoing challenges—particularly those stemming from volatile international market conditions and operational constraints—we are confident in our path forward.

Our strategic direction, coupled with ongoing institutional reforms and deeper stakeholder engagement, will position MIFCO for a more resilient and sustainable future. We are focused on building operational efficiency, exploring new market opportunities, and investing in the infrastructure and capabilities needed to better serve our fishing communities.

On behalf of the Board of Directors, I extend my deepest gratitude to our dedicated employees and management team, whose professionalism and perseverance carried us through a difficult year. I also thank our industry partners, fishing communities, and our shareholder for their continued trust, patience, and unwavering support.

Together, we will navigate these challenges and emerge stronger, ensuring that MIFCO continues to serve as a cornerstone of the Maldivian fishing industry for generations to come.

Shimaz

Acting Chairman

CHIEF EXECUTIVE OFFICER'S STATEMENT



As we present 2024 annual report, we do so with a renewed sense of purpose, energy, and hope. While we acknowledge the challenges and setbacks that have marked parts of our past, our focus today is firmly set on the future, one that we are determined to shape with resilience, integrity, and a shared vision for transformation.

MIFCO, as a proud state-owned enterprise, is undergoing a significant turnaround. Guided by the principles of good corporate governance, transparency, and accountability, we are laying the foundation for a sustainable and profitable future. Our renewed direction is built upon strengthening the very core of our organization ie. our people. We are investing in robust training and continuous development programs to rejuvenate and upskill our workforce. This commitment to human capital will directly translate into improved efficiency, higher productivity, and ultimately, superior quality in the products we deliver.

We are also reinforcing a culture where staff welfare is prioritized, and responsibility is embraced at every level. Quality will be the hallmark of our operations, driven by empowered teams that work with purpose and unity under our renewed slogan, "One Team."

MIFCO has endured its fair share of trials, but today, we stand together more focused, more aligned, and more determined than ever to turn the page. With Allah's grace, we remain committed to serving the nation and its people, supporting the livelihoods of our fishing communities, and upholding our status as a global leader in sustainable, pole and line fishery practices.

Our outlook is optimistic. We are strategically investing in technology, infrastructure, and innovation to enhance competitiveness and ensure sustainability within a larger more diversified fishery industry. As we continue this journey under the guidance of our Shareholders and Board of Directors, our core values of accountability, excellence, and service to the nation will remain our guiding light.

Together, we move forward as One Team, towards a stronger, more resilient MIFCO.

BG (rtd) Farhath Shaheer

Chief Executive Officer



Growth & Strategy

MIFCO GROWTH & STRATEGY

In 2024, Maldives Industrial Fisheries Company (MIFCO) continued its mission to support the nation's fisheries sector while adapting to changing market dynamics. The company pursued a growth strategy focused on diversification, operational efficiency, and value-added production, all while maintaining its commitment to quality and sustainability.

STRATEGIC FOCUS AREAS

Product Diversification

MIFCO expanded its product portfolio to meet varied market needs. A key milestone was the significant growth in pouch production, which increased by 66% compared to the previous year. This shift reflects our strategy to adapt to international consumer preferences and enhance shelf-ready product availability.

Domestic Market Strengthening

Despite global export challenges, MIFCO prioritized local market supply, resulting in a 2% increase in canned tuna local sales. Our Ramazan distribution initiative and continued collaboration with government stakeholders played a major role in ensuring food security and public satisfaction.

Operational Efficiency

Improvements in raw material utilization and production practices led to a reduction in the average reject rate from 8% to 6%. Maintaining a consistent recovery rate of 39% illustrates stable production quality and efficient use of fish resources.

Export Market Re-engagement

MIFCO initiated efforts to re-establish its footprint in high-potential export markets, including renewed interest in the U.S. market. While canned tuna exports declined due to shifting procurement strategies and global price volatility, pouch exports increased by over 77%, indicating growing international acceptance of our value-added products.

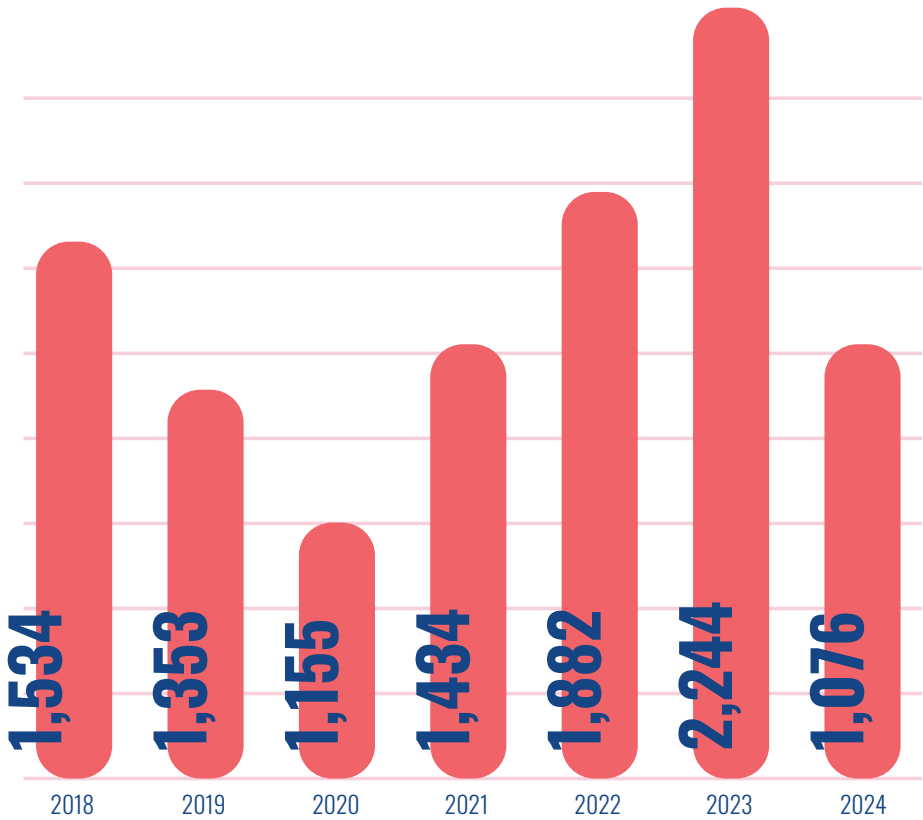
Infrastructure and Capacity Enhancement

Strategic investments were made in production planning and plant utilization, with emphasis on increasing capacity during peak seasons and enhancing logistics to meet both local and international demand more effectively.

COMPANY FINANCIAL HIGHLIGHTS

TOTAL REVENUE

MVR IN MILLIONS

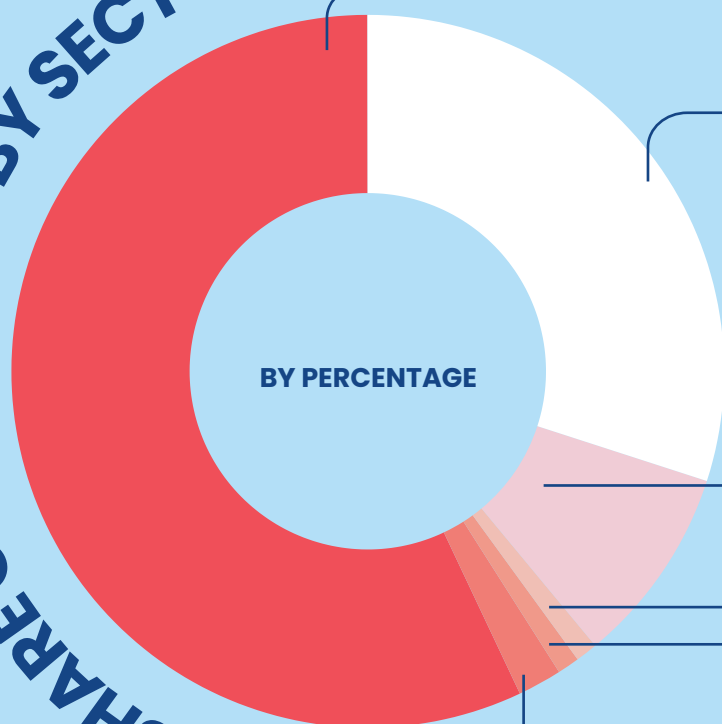


NET PROFIT

MVR IN MILLIONS



SHARE OF REVENUE BY SECTOR



EXPORT FROZEN TUNA

57%

LOCAL CAN & POUCH

30%

EXPORT CAN & POUCH

9%

SALE OF ICE

1%

LOCAL VALUE ADDED

1%

EXPORT FISHMEAL

2%

**GROSS
PROFIT**

MVR IN MILLIONS

232

YEAR 2023

130

YEAR 2024

**NET
PROFIT**

MVR IN MILLIONS

299

YEAR 2023

(166)

YEAR 2024



Board of Directors

BOARD MEMBERS

2024



AHMED SHAMAH RASHEED
CHIEF EXECUTIVE OFFICER

Executive Director
Appointed to Board
30 Nov 2023 – 21 May 2024



DR. VITALIY LYUBIMOV
CHIEF EXECUTIVE OFFICER

Executive Director
Appointed to Board
05 Dec 2024 – 03 Mar 2025



ZULAIKHA YOOMEERASHEED

Appointed to Board
19 Apr 2024 – Present



SHAZNA MOHAMED

Appointed to board
19 Apr 2024 – Present



SHIMAZ

Appointed to board
7 Dec 2023 – Present



SALAH SHAREEF

Appointed to board
12 Dec 2023 – Present



MOHAMED NIZAM

Appointed to board
11 Oct 2016 – 1 Mar 2024



MARIYAM NUZLA

Appointed to board
13 Jun 2019 – 13 Feb 2024



AHMED SHAHID

Appointed to board
12 Apr 2023 – 14 Mar 2024

BOARD MEMBERS

CURRENT



BG (RTD) FARHATH SHAHEER
CHIEF EXECUTIVE OFFICER

Executive Director
Appointed to Board
05 Mar 2025 – Present



ZULAIKHA YOOMEERASHEED

Appointed to Board
19 Apr 2024 – Present



SHAZNA MOHAMED

Appointed to board
19 Apr 2024 – Present



SHIMAZ

Appointed to board
7 Dec 2023 – Present



SALAH SHAREEF

Appointed to board
12 Dec 2023 – Present



REESHAM MOHAMED SHAREEF

Appointed to board
09 Oct 2025 – Present



BRIGADIER GENERAL (RETD) FARHATH SHAHEER

Executive Director

Farhath Shaheer was appointed to the Board of Directors of MIFCO as an Executive Director on 5th March 2025. He holds a Master's degree in Military Art and Science from the Command and Staff College in Indonesia, reflecting a strong foundation in strategic leadership and operational planning.

Farhath began his career with the Maldives National Defence Force (MNDF), where he served with distinction for 26 years in various leadership and operational roles, retired as Vice Chief of Defence Force, gaining extensive experience in organisational management and disciplined service.

Following his military career, he transitioned into public sector leadership, serving as the Chief Executive Officer of IGMH from 2014 to 2018, where he oversaw strategic improvements in healthcare administration and service delivery.

Farhath currently serves as the Chief Executive Officer of MIFCO, leading the company's strategic direction, operational performance, and long-term business development initiatives. His diverse leadership background, combined with strong experience in governance and institutional management, continues to contribute significantly to the company's growth and transformation.



SHIMAZ

Non-Executive, Independent Director

Shimaz was appointed as a Non-Executive Director to the Board of Directors of MIFCO on 7th December 2023. He holds a Bachelor of Science (Hons) in Information Technology from Limkokwing University, Malaysia, along with an AAT Certificate in Accounting from the Informatics Training Centre.

He began his career at MIFCO in the Accounts Department, gaining early exposure to the company's finance and operational functions. In 2003, he joined the State Trading Organization (STO), where he has since built a strong professional background in information technology. Throughout his tenure, he has contributed to key IT improvements and system upgrades within the organisation.

Currently serving as the IT Manager at STO Plc, he brings valuable expertise in both IT and financial processes, supporting MIFCO's strategic direction as a member of the Board.

Committee Membership

Member, Nomination and Remuneration Committee,

Member, Audit & Risk Committee



SALAH SHAREEF

Non-Executive, Independent Director

Salah Shareef was appointed to the Board of Directors of MIFCO as a Non-Executive Director on December 12, 2023. His academic foundation is a Bachelor's Degree in Commerce from the University of Mysore, India.

Salah possesses extensive institutional knowledge, having begun his career at MIFCO in 2004 as a Senior Officer in the Human Resources Department at the Kooddoo Fisheries Complex. Over his tenure, he progressed through various critical roles, including Head of the Human Resources Department at Kooddoo Fisheries Maldives and Human Resources and Administration Manager at the MIFCO Head Office. He also gained valuable operational experience as the Operations and Logistics Manager. This long history within the company provides him with a deep understanding of MIFCO's day-to-day functions and challenges.

He currently holds the position of Managing Director of Atoll Getaways Pvt. Ltd., showcasing his leadership and business acumen outside of the public sector.

Committee Membership

Chairperson, Nomination and Remuneration Committee

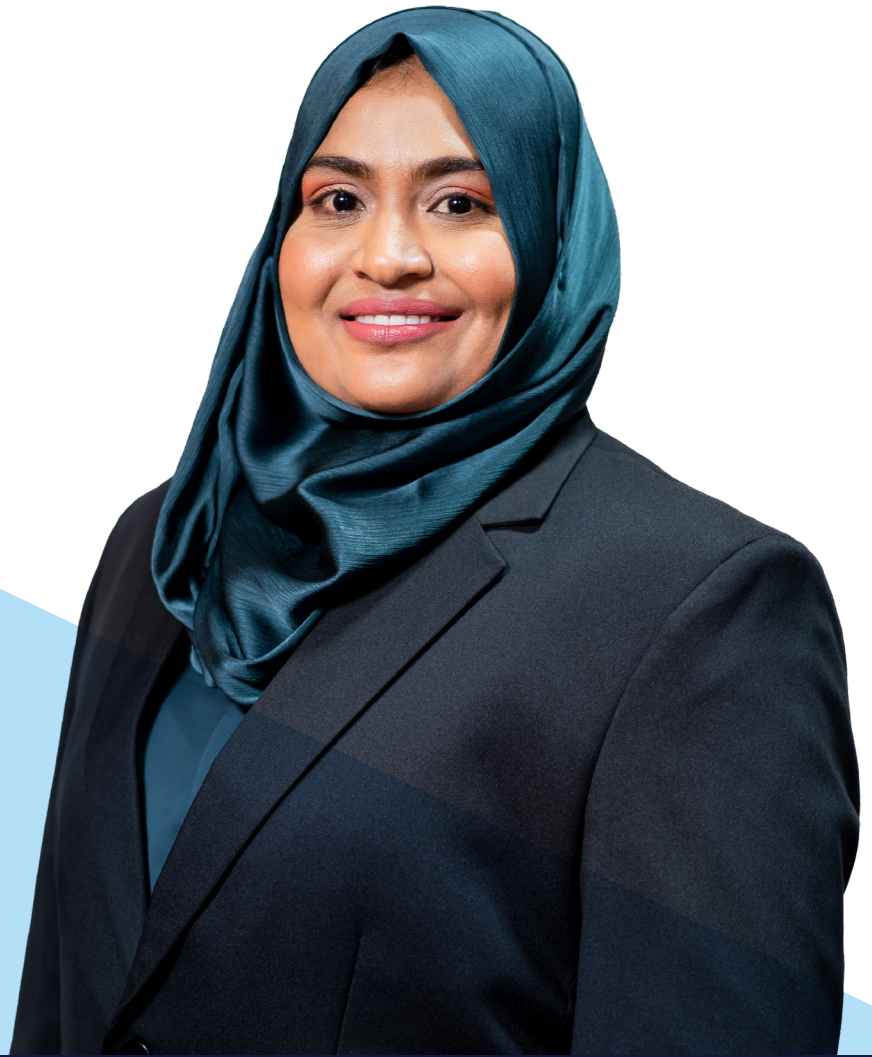


REESHAM MOHAMED SHAREEF

Non-Executive, Independent Director

Reesham Mohamed Shareef was appointed as a Non-Executive Director to the Board of Directors of MIFCO on 9th October 2025. He serves as the fishermen's representative on the MIFCO Board, providing valuable insight and perspective from the grassroots level of the industry. With over 22 years of hands-on experience in the fisheries sector, Reesham brings a wealth of practical knowledge in fishing operations, vessel management, and sustainable fishing practices.

Throughout his career, he has been actively engaged in the day-to-day realities of the fishing community, advocating for the welfare and development of fishermen across the Maldives. His extensive background equips him with a deep understanding of the challenges and opportunities within the sector. Reesham currently serves as the Captain of Asdhaan Dhoani, where he continues to demonstrate strong leadership, technical skill, and commitment to the responsible harvesting of marine resources.



SHAZNA MOHAMED

Non-Executive, Independent Director

Shazna Mohamed was appointed as a Non-Executive Director to the Board of Directors of the Maldives Industrial Fisheries Company Ltd (MIFCO) on April 19, 2024.

Her academic credentials include a distinguished Master of Education, which underpins her leadership and management experience. Shazna initiated her career in the field of education in 2005, establishing a long track record in professional development, training, and institutional administration. Leveraging this experience, she is currently the owner of High Achievers Academy, a position that highlights her entrepreneurial skills and dedication to fostering quality education. Her deep expertise in organizational development, personnel management, and strategic planning from the education sector will provide valuable, diverse oversight to MIFCO's corporate governance and human capital strategies.

Committee Membership

Chairman, Audit Committee



ZULEIKHA YOOME RASHEED

Non-Executive, Independent Director

Zuleikha Yoomie Rasheed was appointed as a Non-Executive Director to the Board of Directors of the Maldives Industrial Fisheries Company Ltd (MIFCO) on April 19, 2024.

Yoomie currently serves as a Planner at the Ministry of Finance and Planning, a role that gives her a vital perspective on national development and fiscal strategy. She brings an extensive background of over 15 years in urban development, having played a pivotal role in shaping major projects across the Maldives. Her experience is broad, covering some of the country's most significant urban development initiatives, including land use planning, master planning, infrastructure development, and regional development projects. This comprehensive expertise will be crucial in guiding MIFCO's long-term strategy and strengthening its corporate governance structure, ensuring alignment with national economic goals.

Committee Membership

Member, Audit Committee

Member, Nomination and Remuneration

EXCO Members

2024



AHMED SHAMAH RASHEED
CHIEF EXECUTIVE OFFICER

Executive Director
Appointed to Board
30 Nov 2023 – 21 May 2024



ILYAS HANEEF
CFO / ACTING CEO

21 May 2024 – 04 Dec 2024



DR. VITALIY LYUBIMOV
CHIEF EXECUTIVE OFFICER

Executive Director
Appointed to Board
05 Dec 2024 – 03 Mar 2025



HAWWA SANA
Internal Auditor
Risk / Internal Audit



SALAH RASHEED
General Manager
Company Secretariat
02 Feb 2024 – 30 Sep 2024



AMINATH SANIYYA SHAREEF
General Manager
Business Development



SHAFNA MOOSA
General Manager
Company Secretariat
22 Dec 2020 – 01 Feb 2024



HAMID NAZEEM
General Manager
Production



AHMED ZAHIR
General Manager
Fish Collection



ABDULLA MUEEN
Chief Technology Officer
ICT



AISHATH RIAZA
General Manager
Sales



FARZANA HASSAN
General Manager
Human Resources



ABDULLA HUSSAIN
General Manager
Quality Assurance



HAFZATH AHMED
General Manager
Marketing



SHAFEEU THAUFAEEQ
General Manager
Administration



MUAZ ALI
General Manager
Technical & Projects



HASSAN ZAHID
General Manager
Procurement



FATHIMATH FAINAZ
General Manager
Procurement
08 Jun 2023 – 18 Jan 2024



HUSSAIN NILAM
Senior Manager
Procurement
13 Feb 2024 – 24 Feb 2024

EXCO Members

CURRENT



BG (RTD) FARHATH SHAHEER

Chief Executive Officer



HUSSAIN SOLAH

Chief Operating Officer

Acting Head: Engineering & Projects



ABDULLA MUEEN

Chief Technology Officer
ICT



AMINATH SANIYYA SHAREEF

General Manager
Business Development



HAMID NAZEEM

General Manager
Production Facility
Management



SHAFEEU THAUFEEQ

General Manager
Administration & Property
Management



AHMED ZAHIR

General Manager
Fish Collection
Management



HASSAN ZAHID

General Manager
Procurement



AISHATH RIAZA

General Manager
Local Sales & Marketing



ALI ADAM

Financial Controller
Accounts & Finance



FARZANA HASSAN

Company
Secretary



MARIYAM WAHEEDHA

Chief Internal Auditor
Internal Audit



MARIYAM ULA

Senior Manager
Int. Sales & Marketing

CHIEF OPERATING OFFICER

**HUSSAIN
SOLAH**

Hussain Solah was appointed as the Chief Operating Officer (COO) of MIFCO on 3rd August 2025. He is responsible for aligning engineering and project operations with the company's strategic objectives, ensuring timely and cost-effective execution, and maintaining the highest standards of safety, quality, and compliance.

Solah holds a Electrical & Mechanical in B-Tech and M.Tech degree in Electrical and Electronics Engineering from the Military College of India. He brings over 25 years of extensive experience in the engineering sector, with deep expertise in power systems, renewable energy integration, and engineering project management. Throughout his distinguished career, he has served as: First Lieutenant in the Maldives National Defence Force (MNDF) for 16years, Head of Engineering (GM) at Fuel Supplies Maldives for 5years, and Senior Engineer at STELCO for 02 years. In these roles, he led major national projects in solar energy, MEP systems, and the development of FSM boatyard and infrastructure. Solah is recognized for his commitment to innovation, technical excellence, and for advancing sustainable energy solutions across various organizations.

**ABDULLA
MUEEN**CHIEF TECHNOLOGY OFFICER
INFORMATION & COMMUNICATION TECHNOLOGY

With over 20 years in the IT industry, Mueen previously served as the System Administrator at MIFCO, overseeing network architecture and server management. In his current CTO role, He transformed the organization by virtualizing the core network architecture, initiating cloud migrations, and is currently in the process of digitalizing the system to modernize and enhance the overall infrastructure.

GENERAL MANAGER
PRODUCTION FACILITY MANAGEMENT**HAMID
NAZEEM**

Nazeem holds over 26 years of engineering and management experience at MIFCO. His progression includes roles as Supervisor Trainee (1998–2000), Production Manager (2005–2006), Engineering Manager (2012–2013), Regional Manager (2013–2018), Manager of Quality Assurance (2019–2021), Manager of Business Development (2022–2023), and Head of Operations & Logistics (Jan–Apr 2024). He assumed his current role in May 2024.

**AMINATH
SANIYYA SHAREEF**GENERAL MANAGER
BUSINESS DEVELOPMENT

Sunny brings over 15 years of diverse corporate experience, including nine years with MIFCO. She has co-founded a private enterprise and contributed to higher education as a part-time lecturer at local institutions. Combining academic credentials with practical entrepreneurial acumen, she possesses extensive expertise in business development, organizational management, strategic planning, and human resource management. Sunny is a collaborative team player and a reliable, results-driven leader.



**HASSAN ZAHID
MOHAMED NAEEM**

**GENERAL MANAGER
PROCUREMENT**

Since joining MIFCO in 2008, Zahid has progressed from Senior Officer to his current role, acquiring over 7 years of accounting experience and 10 years of procurement and supply chain leadership. He holds a bachelor's in accounting & finance from Maldives National University and is a certified Customs Broker. His expertise lies in strategic sourcing, vendor engagement, and compliance alignment across multiple MIFCO sites.



**CHIEF INTERNAL AUDITOR (CIA)
INTERNAL AUDIT DEPARTMENT**

**MARIYAM
WAHEEDHA**

Mariyam joined MIFCO as Chief Internal Auditor in March 2025, bringing over 12 years of public sector audit experience from the Auditor General's Office. As Special Audit Manager, she led complex investigations into fraud, corruption, misappropriation, and other high-risk matters. Her deep expertise in special, financial and compliance audits strengthens MIFCO's governance



**SHAFEEU
THAUFEEQ**

**GENERAL MANAGER
ADMINISTRATION & PROPERTY MANAGEMENT**

Over a 18-year tenure at MIFCO (since October 2007), Shafeeu advanced through roles in Admin & HR and ICT at Kooddoo Fisheries Complex and MIFCO Head Office before assuming his current leadership position. His background spans hands-on operational management, policy formulation, and cross-site coordination.



**GENERAL MANAGER
FISH COLLECTION MANAGEMENT**

**AHMED
ZAHIR**

Zahir boasts a 42-year career in the fisheries sector, beginning at STO FPID (now MIFCO) on December 17, 1987. He has advanced from Assistant Skipper to General Manager, handling roles such as Skipper, Marine Master, and various management positions. Between 2017 and 2021, he led both Fuel Distribution and Engineering Departments at FSM before returning to MIFCO in 2021. His leadership spans vessel operations, operational manuals development, and cross-departmental oversight.



**AISHATH
RIANZA**

**GENERAL MANAGER
LOCAL SALES & MARKETING**

Rianza has dedicated 20 years to MIFCO, specializing in sales & marketing, product packaging, and brand development. She holds a Chartered Manager (Level 7) credential from the Chartered Management Institute, reflecting her commitment to professional excellence. She was heavily involved with the launch of "Maldives Tuna" as MIFCO's international flagship.



**FARZANA
HASSAN KAREEM**

**COMPANY
SECRETARY**

Farzana Hassan Kareem, MIFCO's Company Secretary, oversees governance and compliance. With 22 years at MIFCO, she brings strong HR and administrative expertise. She holds an MBA from Asia Pacific University and a BA (Hons) in HR Management from Staffordshire University, UK. She played key roles in the 2014 restructuring and merger transition and is a recipient of MIFCO's Long Service Award.



**FINANCIAL CONTROLLER
ACCOUNTS & FINANCE**

**ALI
ADAM**

Ali Adam is MIFCO's Financial Controller, overseeing financial management, reporting, and cash flow. Since joining in 2003, he has progressed through several key roles, focusing on cost optimization, revenue protection, and strengthening internal controls. His efforts to enhance financial systems have improved accuracy, efficiency, and informed decision-making across the company.



**MARIYAM
ULA MOHAMED**

**SENIOR MANAGER
INTERNATIONAL SALES & MARKETING**

Mariyam Ula Mohamed is MIFCO's Head of International Sales, overseeing global sales operations and client relations. With over 13 years of experience in the fisheries and premium tuna export industry, she has been key in expanding MIFCO's international footprint. Since joining in 2012, Ula has built strong partnerships, diversified markets, and enhanced the company's global brand presence and competitiveness.



UZA. SHIFZA MUSTHAFA

**SENIOR MANAGER
PUBLIC RELATIONS**



UZA. AISHATH ISHFA

**LEGAL COUNSEL
LEGAL**



MOHAMED SOBAH

**MANAGER
QUALITY ASSURANCE**

A school of fish, likely tuna, swimming in clear blue water. The fish are seen from below, creating a sense of depth and movement. The text 'Business Review' is overlaid in a large, white, sans-serif font on the left side of the image.

Business Review

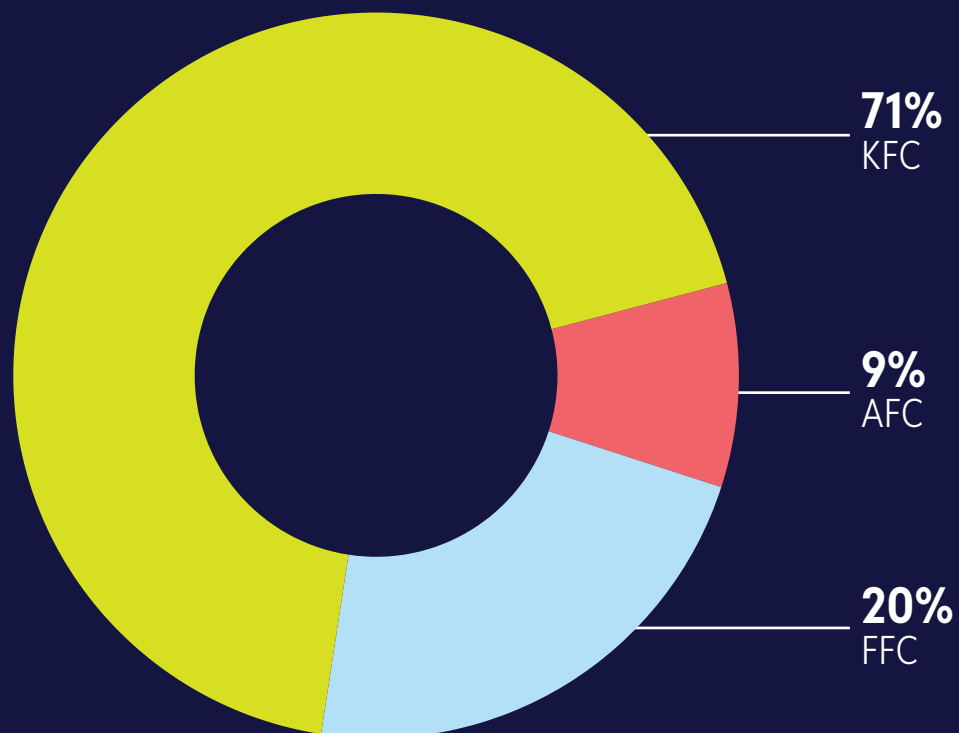


Operations

FISH COLLECTION

Fish Collection Management Department is responsible for collecting fish from fishermen while ensuring the highest quality standards are maintained. In 2024, MIFCO hired 8 vessels from Bangkok, completing a total of 8 trips. However, the number of unloaded fish has been significantly impacted by the decrease in the number of trips, showing a noticeable decline when compared to 2023. Despite their dedicated work, the Operations Department was unable to meet the fish collection targets in 2024 due to the significant drop in fish landings. However, the team continued to work diligently to support the company's overall goals. In addition to fish collection, the Fish Collection Management Department manages the company's logistics, ensuring the timely delivery of materials, food supplies, and other essentials to all operational sites. This is crucial for maintaining smooth and efficient operations across MIFCO. Another key function of the department is planning vessel docking and monitoring vessel movements, ensuring that vessels are dispatched to ports according to schedule.

Currently, MIFCO accounts for 30-40% of the nation's total fish landings. By increasing this share, the company expects to achieve higher turnover and reduced overheads per ton of processed fish, which will further improve operational efficiency.



FISH COLLECTION FROM SITES

BY PERCENTAGE

TOTAL FISH COLLECTED

2023



73,646 MT

2024



38,420 MT

2023

2024

The 2024 figure represents a 46.4% decline compared to 2023

MVR IN MILLIONS

1,409



MVR IN MILLIONS

742



The 2024 figure (38,420) represents a 46.4% decline compared to 2023 (71,607)

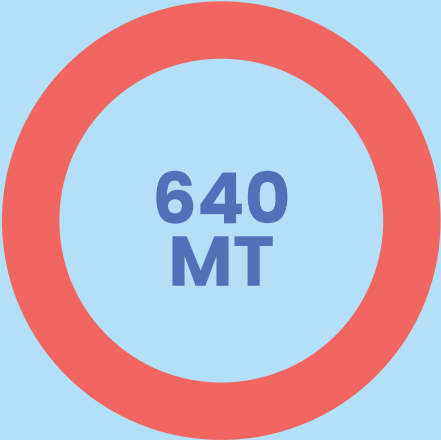
FISH COLLECTION CAPACITY

A large red circular graphic with a thick border, serving as a background for the first capacity value.

**8555
MT**

**HOLDING
CAPACITY**

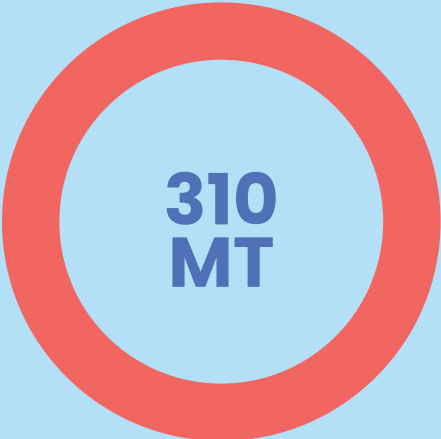
IN METRIC TONS

A large red circular graphic with a thick border, serving as a background for the second capacity value.

**640
MT**

**DAILY FREEZING
CAPACITY**

IN METRIC TONS

A large red circular graphic with a thick border, serving as a background for the third capacity value.

**310
MT**

**DAILY RSW
CAPACITY**

IN METRIC TONS





Quality Assurance

QUALITY ASSURANCE

From the moment we catch our fish to the time our products reach customers, we manage our entire supply chain according to the highest international quality standards. We are proud to be the first company in the Maldives to implement the Trace Register system, enhancing the credibility and traceability of our products. We place the utmost importance on quality – ensuring that local fishers maintain the cold chain, inspecting each lot upon landing, and adhering to strict quality control procedures throughout production. We have consistently maintained our EU compliance certification, as well as the BRCGS Food Standard certification, achieving a Double A Plus (AA+) grade, which is the highest possible rating under the standard. In addition, we have upheld the highest level in the IFS Food Certification through unannounced audits and successfully maintained our MSC Chain of Custody Standard certification in 2024.





Human Resources

HUMAN RESOURCES

The Human Resources Annual Report for 2024 presents an overview of MIFCO's workforce dynamics, training and development initiatives, and employee engagement activities conducted throughout the year. This report highlights our continued efforts in building a productive, diverse, and committed workforce aligned with the company's strategic goals.

The year 2024 marked a period of consolidation and strategic development in HR. Efforts were made to streamline recruitment, enhance retention, and build a learning culture across all MIFCO sites. The report reflects our team's commitment to operational efficiency and employee satisfaction.

Staffing Overview

Our total workforce at the end of 2024 stood at 1,832 employees, representing a strong and diverse human capital base. MIFCO has managed to maintain a retention rate of 80.19%, an indicator of job satisfaction and effective HR policies.

Overall Staffing Summary

Total Staff: 1,832 employees are spread across different operational units, including fisheries complexes and the corporate head office. Of this number, a significant portion comprises expatriate workers who continue to play a vital role in MIFCO's operations.

Male: 1,455, which represents the majority (79.4%) of the total workforce, reflecting the nature of operations in industrial fisheries.

Female: 377, or 20.6%, with a larger representation in administrative and quality assurance roles.

Local: 929 employees are Maldivians, showing the company's contribution to national employment.

Expat: 903, forming a near-equal balance, especially in production roles across fisheries complexes.

Total Recruited: 287 new hires were made to fill critical operational, technical, and administrative roles.

Total Resigned/Terminated: 76 employees exited during the year, mostly through voluntary resignations and some through disciplinary actions.

Retention Rate: 80.19% retention indicates a healthy employee engagement and loyalty trend.

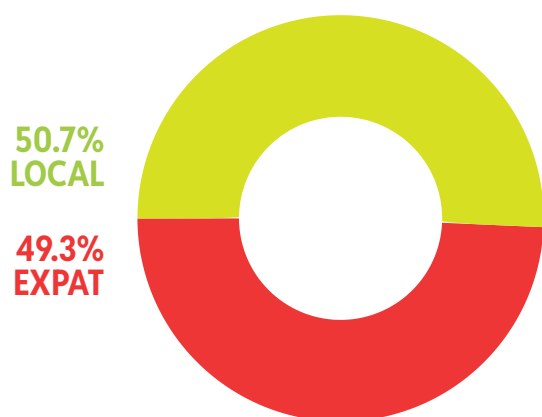
MALE: 1,455



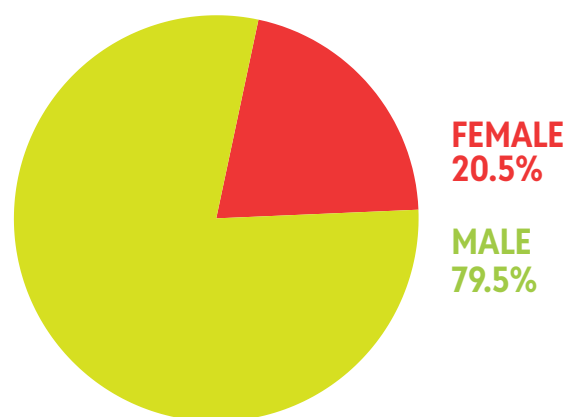
FEMALE: 377

TOTAL: 1,832

Total number of employees in 2024



Local & Expat
Employment Ratio



Gender Ratio

Training & Development

MIFCO continues to uphold a high standard of professional development. A diverse set of training programs, both internal and external, were delivered to upskill our teams in leadership, customer service, regulatory compliance, and operational excellence.

In total, 98 employees participated in structured learning sessions, amounting to over 70 cumulative training hours. These programs aimed to not only develop job-specific competencies but also promote industry's best practices and personal growth.

TRAINING	SITE	PARTICIPANTS	HOURS
Managerial Leadership	HO	20	04
Customer Service Excellence	HO	33	04
4th National HR Convention	All Sites	06	12
INFOFISH Tuna Handling	KFC	01	16
FIS Training	All Sites	14	01
ISPS Training	KFC	02	28
WTO Workshop	HO & KFC	02	05

This table highlights the diversity of training initiatives—from domestic regulatory compliance (WTO and ISPS) to soft skills such as customer service. Notably, international exposure was offered via the INFOFISH workshop, emphasizing our commitment to global standards.

98

EMPLOYEES TRAINED



70

TRAINING HOURS



GENDER EQUALITY

MIFCO is committed to promoting gender equality across all levels of its operations, recognizing that a diverse and inclusive workforce is key to its long-term success.

Ration of female representation in workforce (number of female employees as a percentage of total employee numbers) - 21.38%

Ratio of female representation in senior management positions (number of females in the senior management as a percentage of total employees in senior management) - 23%.

Ratio of female representation in the Company Board of Directors (number of female board members as a percentage of total board members) - 40%.

EMPLOYEE ENGAGEMENT ACTIVITIES



Creating a work environment where employees feel valued is essential. In 2024, MIFCO organized 50+ activities ranging from health initiatives to competitive sports, cultural events, and strategic wellness programs. These were customized by site to reflect employee interests and location capabilities.

Head Office (HO) Focused on wellness, education, and celebration. – Annual Anniversary Celebration – Strategic Workshop on Business Development – Fantasy Leagues (Euro/FPL), Masrace – National Day, Wellbeing Index



Felivaru Fisheries Complex actively engages in community and awareness events, including MIFCO Day celebrations, karaoke and movie nights, friendly futsal matches with MNDF and LHAEC, and waste management activities, fostering teamwork and community involvement.



Addu Fisheries Complex promotes inclusivity and community spirit through activities such as staff picnics, Women's and Men's Day events, World Heart Day, cooking competitions, tree planting, and Maahefun, fostering engagement and unity among employees.



Kooddoo Fisheries Complex fosters team spirit through cricket, futsal, volleyball, and badminton leagues, friendly matches, and its annual Dinner Night celebrating staff unity and achievement.

MIFCO HR Department remains committed to strengthening organizational capacity through strategic staffing, skill development, and staff engagement. 2024 has been a year of impactful progress, as evidenced by our recruitment success, steady retention, and dynamic employee programs.

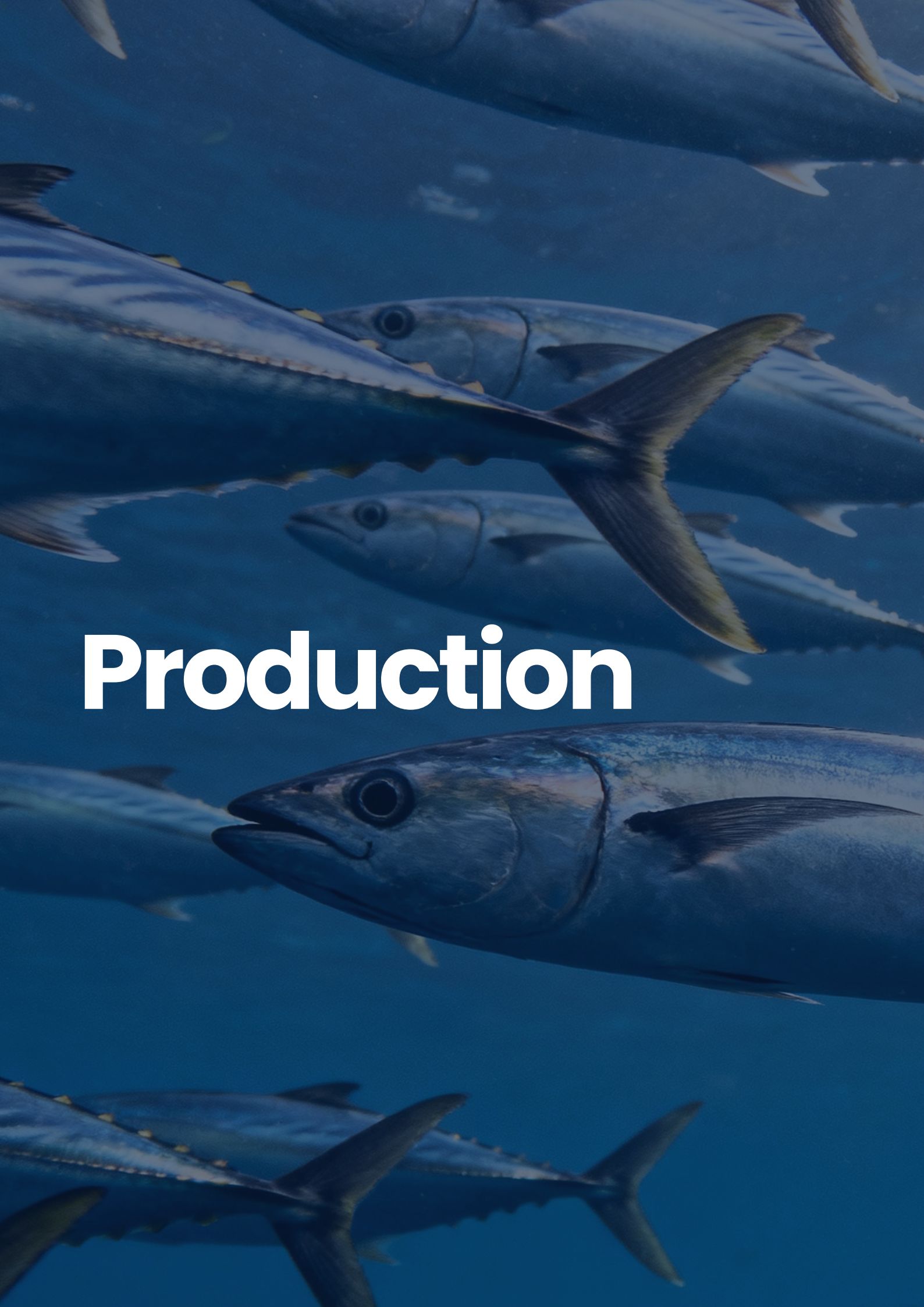
Our focus for 2025 will include: – Implementing Other modules in HR Information System (HRIS) – Expanding e-learning and leadership academies – Increasing gender balance and local participation with a growing and engaged workforce, MIFCO continues to prioritize employee satisfaction and operational excellence.

CORPORATE SOCIAL RESPONSIBILITY (CSR)



In 2024, MIFCO actively contributed to the community and the environment through a wide range of CSR initiatives. We supported local councils such as Faresmathoda and Dhaandhoo, sponsored community events like the Ooredoo Mas Race 2024 and the TFG Run, and organized a beach cleaning activity at Kooddoo to promote environmental care. MIFCO also participated in global awareness campaigns, including World Ocean Day and World No Tobacco Day, underscoring our commitment to sustainability and public health. Extending our reach beyond local efforts, we contributed to the State Trading Organization Plc Palestine Relief Fund and took part in international events such as the ITFC Delicate and the 57th Diplomatic Red Cross Bazaar, reflecting our dedication to global humanitarian causes.



A school of blue fish, possibly mackerels, swimming in deep blue water. The fish are sleek and elongated with a silvery-blue sheen. One fish in the foreground is particularly prominent, showing its eye, gills, and fins. The background is a solid, deep blue, suggesting an underwater environment.

Production

PRODUCTION HIGHLIGHTS

In 2024, Maldives Industrial Fisheries Company (MIFCO) observed notable shifts in its production and sales dynamics compared to the previous year.

While there was a decline in total canned tuna production and export, local market performance remained strong. Canned tuna production dropped by 7.8%, largely driven by a 53.7% reduction in export-oriented production. However, this was partially offset by a 15.5% increase in local Canned tuna Production, demonstrating continued demand in the domestic market.

A key achievement of the year was the remarkable 66% increase in total pouch production, reflecting strategic alignment with evolving product preferences. Pouch exports surged by 77.5%, driven by improved production efficiency and expanding international demand.

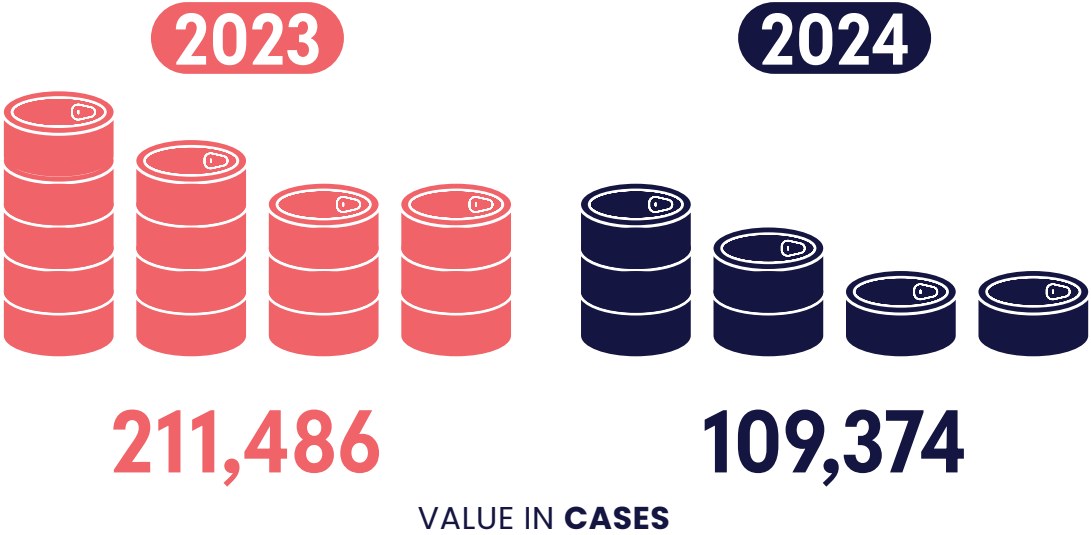
In terms of by-products, fishmeal production declined slightly, though exports remained stable with a modest increase of 2.9%.

Kooddoo production figures showed a positive turnaround, with Valhomas (smoked dried tuna) production increasing by 8.9% and Rihaakuru (Maldivian fish paste) output rising by 18.6%, compared to 2023.

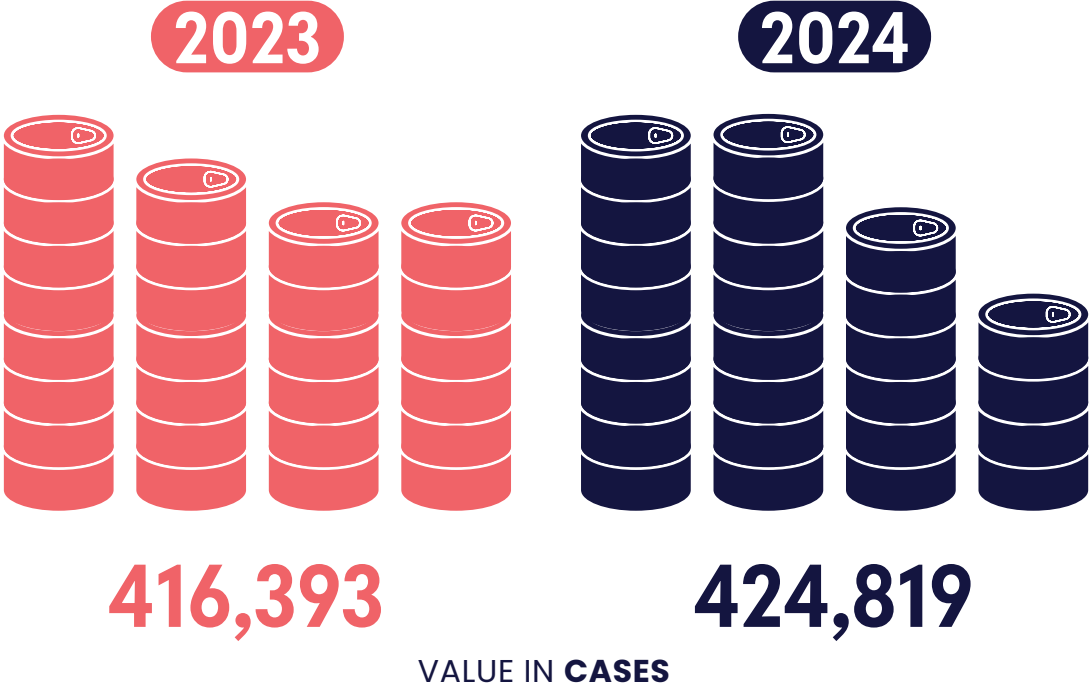
Additionally, operational quality indicators showed improvement, with the average reject rate decreasing from 8% to 6%, and average recovery maintained at 39%, reflecting better raw material utilization and processing efficiency.

These results reflect MIFCO's adaptive strategy, focusing on product diversification, enhanced quality control, and meeting local and international market demand despite challenging conditions.

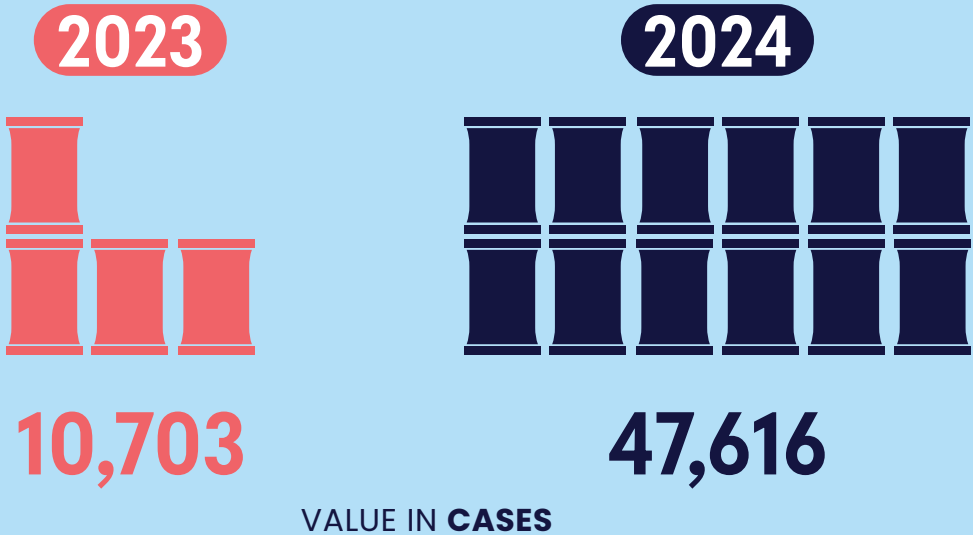
CANNED TUNA – EXPORT



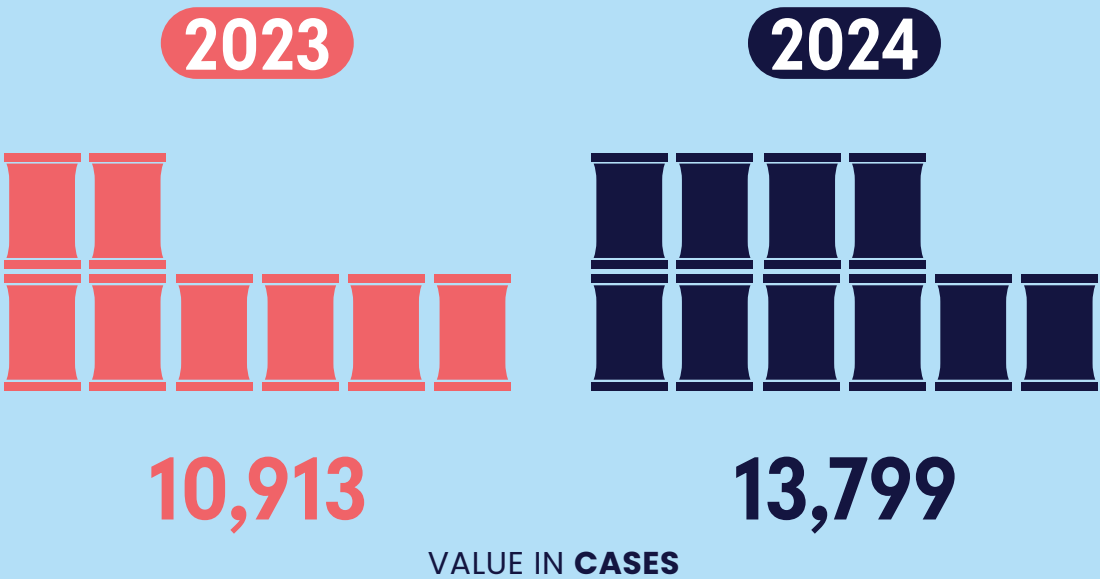
CANNED TUNA – LOCAL



TUNA POUCH – EXPORT



TUNA POUCH – LOCAL

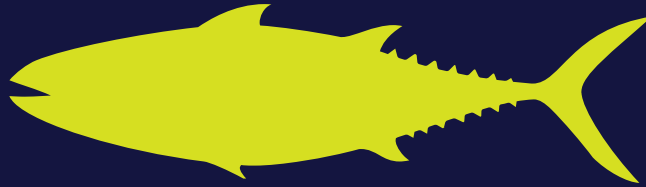




International Sales

FROZEN TUNA EXPORT

1,732



MVR IN **MILLIONS**

62,352 MT

2023

693



MVR IN **MILLIONS**

26,643 MT

2024

Key Insights

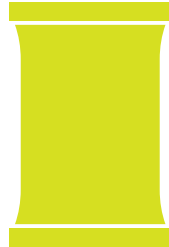
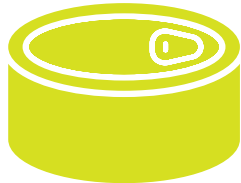
Environmental challenges (warming ocean temperatures and disrupted bait-fish availability) significantly impacted catch rates. Despite these constraints, MIFCO maintained frozen tuna exports to Thailand and sustained shipments to Mauritius and Vietnam, ensuring presence in key markets.

Highlight

Resilience: Continued supply to strategic markets despite adverse conditions, demonstrating strong operational adaptability.

CAN & POUCH EXPORT

148

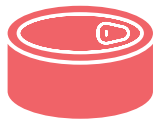


MVR IN MILLIONS

227,910 CASES

2023

106



MVR IN MILLIONS

202,773 CASES

2024

Key Insights

Sustained exports of retail canned tuna to premium UK markets.

Continued pouch tuna shipments to UK and German markets.

Major milestone: Successfully initiated pouch tuna exports to Switzerland, expanding MIFCO's footprint in premium European markets.

Strengthened global presence through participation in major international trade events:

InfoFish 2024 (Thailand)

Gulfood 2024 (Dubai)

Engaged with premium buyers and explored new market segments to diversify product offerings.

FISH MEAL EXPORT



28

2023
NET REVENUE
IN MILLIONS
MVR



26

2024
NET REVENUE
IN MILLIONS
MVR



**Local
Sales**

CAN LOCAL



289

2023

MVR IN MILLIONS

340

2024

MVR IN MILLIONS

POUCH LOCAL



12

2023

MVR IN MILLIONS

16

2024

MVR IN MILLIONS

FROZEN TUNA LOCAL



11

2023

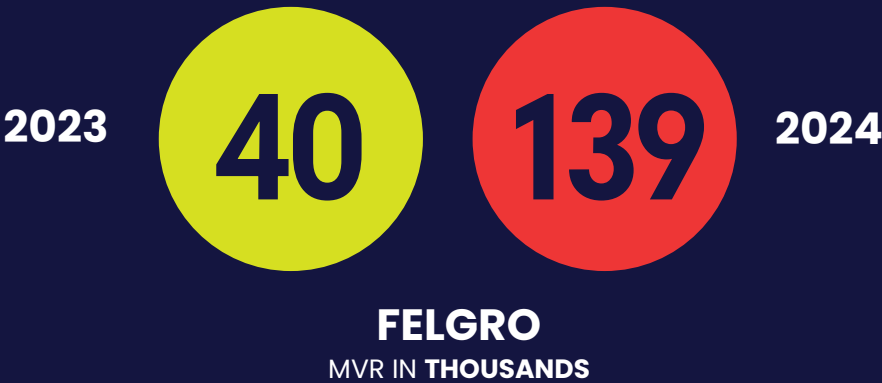
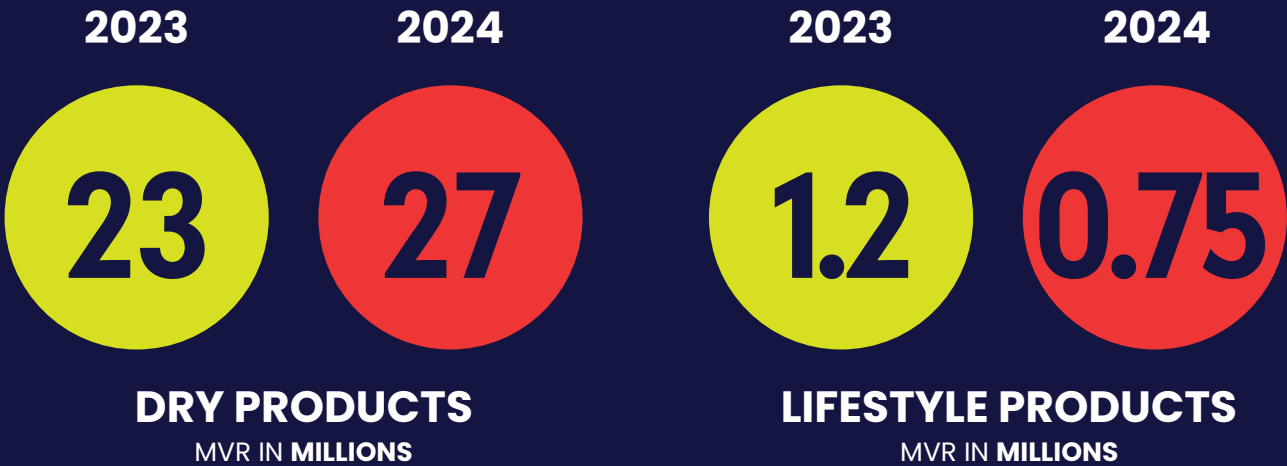
MVR IN MILLIONS

10.5

2024

MVR IN MILLIONS

OTHER VALUE ADDED LOCAL PRODUCTS



TOTAL LOCAL VALUE ADDED SALES





Financial Review

PROFIT / (LOSS) FOR THE YEAR & EARNINGS PER SHARE

MIFCO's 2024 financial results reveal a dramatic reversal from its exceptional performance in 2023. This severe deterioration was overwhelmingly driven by a catastrophic 54% collapse in fish landings throughout the year. The direct consequence was a devastating 46.5% drop in Revenue, as the company had far less fish to process and sell. A similarly large, though less severe, decline in Other Income exacerbated the situation.

While management implemented cost-cutting measures, these reductions were nowhere near sufficient to offset the financial damage from the massive decline in revenue. The core of MIFCO's crisis was not its spending, but a crippling lack of raw material—making the historic low in fish landings the fundamental cause of the company's record losses.

1. Profitability: From Strong Profit to Heavy Loss

Revenue: This is the most critical issue. Revenue fell from MVR 2.009 billion to MVR 1.076 billion. A drop of over MVR 933 million is mainly the decrease in frozen fish revenue mainly due to sharp decline in fish collection starting from the month of April 2024 during the year. Gross Profit: As a direct result of the revenue drop, Gross Profit fell by 44% from MVR 232.4 million to MVR 130.5 million. It is noteworthy that the Gross Profit Margin improved slightly (12.1% in 2024 vs. 12% in 2023). Though revenue declined, the company managed to maintain the same 12% gross profit margin during the year.

Other Income: This line item saw an even more dramatic percentage decrease, falling by 89.4% from MVR 634.7 million to MVR 67.4 million. The 2023 figure was unusually high; The Government has approved MVR 404,356,780 as fisheries subsidy in the year 2024 fiscal budget and disbursed MVR 389,518,216 during the year. The remaining amount has been disbursed after the financial year. Pursuant to the agreement signed between the Company and Ministry of Finance (MOF) on 1 August 2024, The MOF commits to provide a subsidy of MVR 4 (Maldivian Rufiyaa Four) per each kilogram of tuna purchased directly from local fishing vessels.

Accordingly, current year's subsidy was offset against the cost of sales, as its purpose was to support and maintain the fish purchase price, enabling the company to procure fish from local fishermen at government regulated rates. In 2023, the subsidy was granted to MIFCO as compensation for financial losses and was accordingly presented under "Other Income." gains on asset sales 2023. The 2024 figure appears more normalized. The volatility of this income stream is a major risk factor.

Operating Expenses: The company did take action to reduce costs:

Administrative Expenses: Decreased by 26.0% (MVR 100.3 million). This is a significant cut

Other Operating Expenses: Decreased by 65.2% (MVR 65.7 million).

Bottom Line: The combination of the massive revenue decline and the normalization of "Other Income" completely wiped-out profitability, leading to a pre-tax loss of MVR 165.6 million (compared to a pre-tax profit of MVR 306.4 million in 2023).

2. Comprehensive Income

- The Loss for the Year is MVR 165.6 million.
- The small remeasurement gain on the defined benefit liability (pension obligation) is a minor positive but irrelevant in the context of the overall loss.
- Earnings Per Share (EPS) reflect this starkly, falling from a profit of MVR 207.19 per share to a loss of MVR 115.04 per share.

The year 2024 was disastrous for MIFCO. The statement reveals a company that is highly vulnerable to external market shocks (fish prices, demand tariffs) and dependent on non-operating income sources. The impressive 2023 results now appear to have been an anomaly. MIFCO faces a serious challenge in 2025 management are working to stabilize its revenue base and prove that its business model is viable under normal market.

TOTAL NET REVENUE



PROFIT / (LOSS) FOR THE YEAR



SALE OF ICE



SALE OF MGO



SALE OF SITE SHOPS



FINANCIAL POSITION





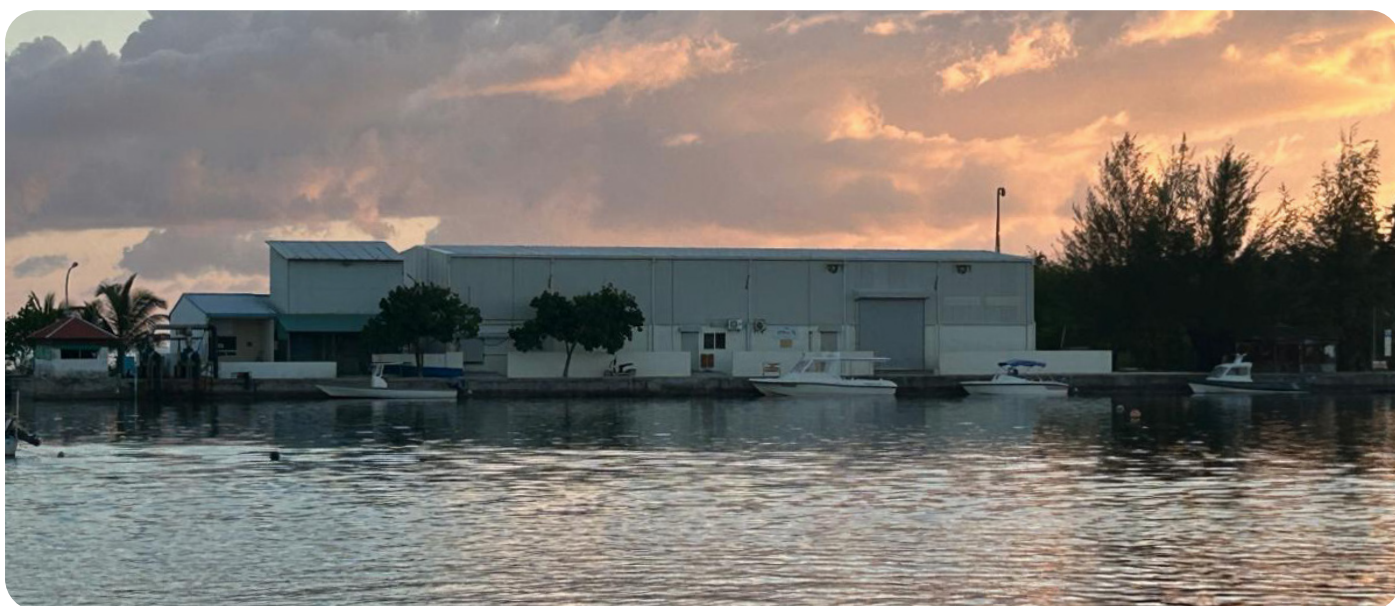
Projects

Gemanafushi Ice-Plant



The Gemanafushi Ice Plant project has achieved notable progress, with 95% of the building structure completed. Mechanical equipment has been installed, with most piping and electrical connections in place, pipe runs constructed up to 80%, and electrical panels fully installed.

All major equipment has been delivered and installed, with only a few secondary components pending delivery and installation. Rectification works will depend on the arrival and replacement of these secondary parts.



Felivaru Expansion Project



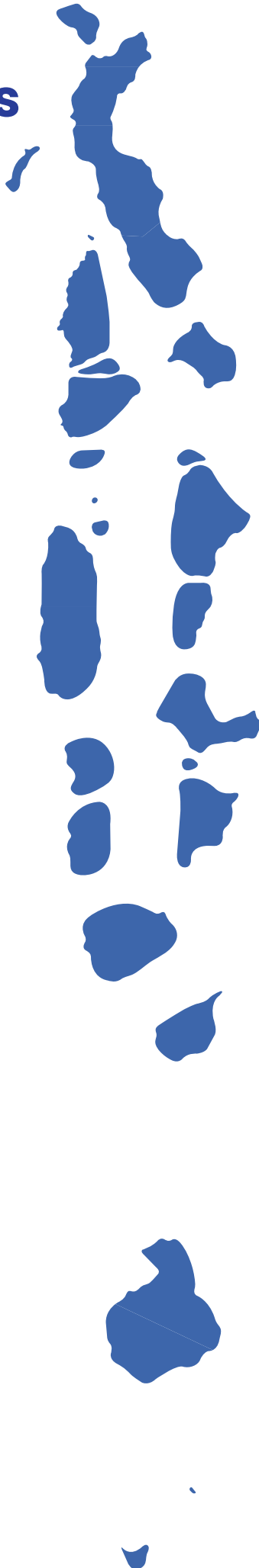
The Felivaru Expansion Project has made steady progress, with key structural milestones achieved. Raft foundations for the Process Hall (Building B) and Cold Store (Building A) are complete, along with compressor, refrigerated vessel, and three seawater pump foundations. The Project Management Consultant (PMC) estimates overall completion at 31.4%, with mechanical completion projected for mid-2026 based on current progress trends.

In terms of equipment delivery and installation, compressors, refrigerated vessels, and seawater pumps have been placed on their respective foundations but not yet installed. Diesel and electric forklifts, generators, nursing tanks, priority and HPR vessels, forklift batteries, chargers, electrical panels, plastic fish bins, and a 20MT water tank have all been delivered. Structural steel for the Process Hall and Cold Store has arrived, with partial installation completed; however, additional repairs are required for some of the Cold Store steel. Work has also commenced on the raft foundation for the Powerhouse building (Building C).



PROJECTS

Developments



G. Dh. Thinadhoo
1000 Tons cold storage & 20 Tons brine freezer
Ongoing



Kooddoo Fisheries Complex
Expanding brine freezing capacity by 120 Tons
Ongoing - 46% Complete



Addu Fisheries Complex
Harbour Development - Ongoing



Kandu Oiy Giri
Harbour Development - Completed



M. Mulah
Harbour Development
Ongoing



Felivaru Fisheries Complex
4000 Tons Cold Storage
Ongoing - 62% Complete



Ga. Gemanafushi
Ice Plant - Complete



Gn. Fuvahmulah
YF collection centre



Procurement

PROCUREMENT HIGHLIGHTS

In 2024, the Procurement Department at MIFCO demonstrated significant efficiency in fulfilling procurement requests across both local and overseas sourcing channels. The year was marked by strengthened process coordination, timely service delivery, and effective support to operational sites..

Local Procurement Performance

A total of 3,083 local PRQs were received across all sites, with 3,142 POs served and 3,048 deliveries completed. The FFC site recorded the highest local procurement activity with 1,336 PRQs received, followed by KFC (1,096), and HO (494). Notably, service fulfillment exceeded requests in most cases, reflecting the department's proactive planning and stock management.

Overseas Procurement Performance

The department handled 609 overseas PRQs, with 388 POs served and 357 deliveries completed. FFC led in overseas sourcing with 394 PRQs received, highlighting its central role in capital and critical input procurement.





Our Commitment to Sustainability & Community



Corporate Governance

DIRECTORS' REPORT

The Board of Directors has emphasized to management the importance of upholding strong corporate governance through the implementation of clear policies and procedures. The Board of Directors of MIFCO remains committed to the highest standards of corporate governance, recognizing its essential role in preserving business integrity and protecting shareholder interests. In line with this commitment, the Board continues to provide oversight and strategic direction to ensure that the Company operates with transparency, accountability, and in full compliance with regulatory requirements. Continuous efforts are made to strengthen internal controls, enhance risk management practices, and promote a culture of ethical conduct across all levels of the organization. These measures are vital to reinforcing stakeholder confidence and supporting the sustainable growth of the Company.



THE BOARD

The MIFCO Board operates in accordance with the Company's Articles of Association, the Corporate Governance Code, and the Companies Act of the Maldives. Its primary role is to define the responsibilities of executive management, ensure effective oversight, and monitor performance to maintain accountability to both the Company and its shareholders.

As the ultimate governing body, the Board is responsible for providing effective leadership and strategic direction. Throughout the year, it has overseen all aspects of the Company's operations. The Board also plays a key role in the development and approval of policies, guidelines, and systems to ensure that the Company adheres to best practices, in line with the Corporate Governance Code.

THE BOARD COMPOSITION

In accordance with the Articles of Association (AOA) of the Company, the Board comprises seven directors, including the Chairman, the Managing Director and the Chief Executive Officer. All directors are nominated by the Privatization and Corporatization Board. Except for one member, the others are independent and non-executive directors. In terms of gender diversity, MIFCO's Board includes two female directors.

ROLES AND RESPONSIBILITIES OF THE BOARD

- Recruit, supervise, retain, evaluate and compensate the Chief Executive Officer
- Fiduciary duty to protect the organization's assets and member's investment
- Ensure that the Annual Report is submitted
- Adopt disclosure policy
- Establish Commercial and Financial Policies
- Establish a policy-based governance system
- Ensuring that technology and information systems used are sufficient
- Providing sufficient time for the Company
- Upgrading the level of Proficiency and skill
- Review Company's Performance
- Provide direction for the organization
- Ensuring that the company complies with all relevant laws and regulations
- Evaluation of performance and work
- Monitor and control function
- Ensuring Board Succession and Diversity
- Govern the organization and the relationship with the Chief Executive Officer
- Forming Committees
- Each director should add value to the Board
- Adopt the Annual and interim financial statements
- Advising the Executive Management

CHAIRMAN

The Chairman is responsible for chairing Board and general meetings, running the Board, and ensuring its effectiveness in all aspects of its roles, including the regularity and frequency of meetings. They set the Board agenda, considering the issues and concerns of all Board members. The Chairman also ensures appropriate delegation of authority from the Board to executive management. Furthermore, they manage the Board to allow ample time for discussion of complex or contentious issues, ensuring that directors have sufficient time to consider critical matters, ask questions, and address concerns, without facing unrealistic deadlines for decision making.

BOARD OF DIRECTORS

The Board of Directors holds the ultimate responsibility for protecting and enhancing the Company's assets on behalf of all shareholders and other stakeholders. Independent and Non-Executive Directors are expected to fully assume the responsibilities of stewardship on behalf of the Government, other shareholders, and the public. In fulfilling this duty, the Board ensures that corporate decisions align with the company's strategic objectives. The Board also establishes policies related to operations, risk management, and human resources, evaluates the performance of senior executives, and approves major initiatives.

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

The Chief Executive Officer and Managing Director (CEO & MD) hold the highest executive authority in the management of the company. The CEO is accountable to, and reports directly to, the Chairman and the Board of Directors. The CEO is responsible for the day-to-day operations of the company and oversees all executive management matters affecting the organization. All members of the executive management team report, either directly or indirectly, to the CEO. During the year 2024, the position of CEO at MIFCO changed twice.

COMPANY SECRETARY

The Company Secretary is appointed by the Board and is accountable to the Board through the Chairperson on all matters relating to their duties as an officer of the Company. The Company Secretary also reports to the Chief Executive Officer on all executive or administrative matters. All Directors have access to the Company Secretary.

The Company Secretary's responsibilities in relation to the proper functioning of the Board include maintaining records of all decisions, ensuring that Board and Committee policies and procedures are followed, and coordinating all Board-related activities. In 2024, MIFCO underwent three changes in the position of Company Secretary.

ATTENDANCE AT BOARD OF DIRECTORS’ MEETINGS FOR THE YEAR 2024

In 2024, a total of 15 Board meetings were held. Throughout the year, the Board focused its discussions on business performance, the approval of the Annual Report and quarterly financial statements, as well as decisions related to financing, investments, business development initiatives, ethical audit matters, and structural changes. The attendance record of each director at Board meetings is detailed in the table below.

NAME	DESIGNATION	MEETINGS	APPOINTED	REMOVED
Ahmed Shareef	Chairman / Non-Executive Director	15/15	9th December 2023	29th December 2024
Ahmed Shamah Rasheed	CEO / Executive Director	4/4	30 November 2023	21st May 2024
Dr. Vitaliy Lyubimov	CEO / Executive Director	0/0	5th December 2024	3rd March 2025
Ahmed Shahid	Non-Executive Director	2/2	12th April 2023	14th March 2024
Mohamed Nizam	Non-Executive Director	0/2	11th October 2016	1st March 2024
Mariyam Nuzla	Non-Executive Director	1/2	13th June 2019	13th February 2024
Shimaz	Non-Executive Director	14/15	7th December 2023	-
Salah Shareef	Non-Executive Director	14/15	12th December 2023	-
Shazna Mohamed	Non-Executive Director	11/13	19th April 2024	-
Zuleikha Yoomee Rasheed	Non-Executive Director	12/13	19th April 2024	-

CHANGES TO THE BOARD DURING THE YEAR 2024

During the year 2024, as a part of governance changes, the following board members were replaced.

NAME	DESIGNATION	APPOINTED	REMOVED
Ahmed Shareef	Chairman	9th December 2023	29th December 2024
Ahmed Shamah Rasheed	CEO / Executive Director	30 November 2023	21st May 2024
Dr. Vitaliy Lyubimov	CEO / Executive Director	5th December 2024	3rd March 2025
Ahmed Shahid	Non-Executive Director	12th April 2023	14th March 2024
Mariyam Nuzla	Executive Director	13th June 2019	13th February 2024
Mohamed Nizam	Non-Executive Director	11th October 2016	1st March 2024

KEY BOARD DECISIONS OF 2024

- Endorsed and resolved the appointment of Mr. Ahmed Shamah Rasheed as Executive Director to the Board.
- Reviewed and approved the adjustment of the Board allowance in accordance with PCB guidelines, effective from January.
- Approved the change of MIFCO's logo to the previously used logo.
- Approved the transfer of 13 ice plants from FENAKA to MIFCO.
- Approved the handover of Kanduoiy Giri Fish Village to the Maldives National Defence Force.
- Reviewed and approved the provision of 60 days of special paid leave for employees diagnosed with terminal illnesses.
- Reviewed approved 15 days of Umrah leave for employees.
- Reviewed and approved the audited financial statements and Directors' Report for the year 2023.
- Approved the extension of the Felivaru expansion and Gemanafushi Ice Plant projects being carried out by Rinec India Limited.
- Approved the purchase of a new landing craft for MIFCO.
- Reviewed and resolved regulatory and compliance matters related to the 2023 Annual General Meeting.
- Approved the conduct of the AGM 2023 on 4th November 2024.
- Reviewed and proposed the appointment of External Auditors for the financial year ending 31 December 2024.
- Reviewed and approved revisions to the organizational structure as proposed by the Management.
- Reviewed and approved to revise the Staff Bond period.
- Reviewed and approved the awarding of the 30MT Ice Plant and 50MT Cold Storage Facility at Sh. Funadhoo, Dh. Meedhoo, and Dh. Bandibhoo, as recommended by the MIFCO Bid Committee.
- Approved the auctioning of Randhi 22 and Randhi 27.
- Approved the publication of quarterly and monthly financial statements for the quarterly reports of 2024.
- Endorsed and resolved the appointment of Dr. Vitaliy Lyubimov as Executive Director to the Board.
- Reviewed and approved the signing of a tripartite agreement between MIFCO, Bank of Maldives, and the Ministry of Finance and Planning.

CONFLICT OF INTEREST

In compliance with MIFCO's Disclosure of Interest Policy No.10/POL/CORP/2021 Principles: Clause 2.1, Directors are required to declare any conflicts of interest and follow the procedures outlined in the Board Charter. During the year 2024, no conflicts of interest were declared during Board discussions, therefore no member refrained from participating in any related deliberations.

BOARD INDUCTION & TRAINING

In 2024, two new Directors joined the Board and were provided with an induction program to familiarize them with the company's operations and governance processes. Additionally, they completed the Directors' Training Program conducted by the CMDA. Due to the company's financial situation, no further training sessions were offered to the Board of Directors during the year. As part of the familiarization process, all Board Directors visited Felivaru to inspect the production cannery and other site operations.

BOARD DIRECTORS' REMUNERATION

The Board of Directors is compensated in accordance with the Board's directives, as outlined in the PCB circular issued to MIFCO regarding directors' remuneration. The total remuneration paid to the Board of Directors in 2024 amounted to MVR 519,174.14.

DETAILS	AMOUNT (PER MONTH)
Chairman	12,800.00
Non-Executive Director	7,500.00
Sitting Allowance	500.00

PAID REMUNERATION TO THE SENIOR MANAGEMENT

The total remuneration paid to senior management including executive directors amounted to **MVR 5,205,945.75 in 2024.**

This total includes basic salaries, allowances, and other related benefits.

BOARD COMMITTEES

To support the effective execution of its responsibilities, the Board delegates specific functions to dedicated committees. The Board comprises the following committees:

- a). Nomination and Remuneration Committee
- b). Audit and Risk Committee

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration (NR) Committee is responsible for ensuring effective governance by overseeing the appointment and evaluation of key executives. The Committee maintains an independent stance, making recommendations for appointments and ensuring that executive members possess the necessary experience and qualifications. It also plays a crucial role in establishing transparent and fair remuneration policies that align with the Company's goals. The NR Committee's work ensures that the appointment process is conducted fairly, that its members are independent of management, and that decisions are made in the best interest of the Company and its shareholders.

The Nomination and Remuneration Committee is composed of at least three directors, with a majority being non-executive and

independent of management. Appointments to the committee are made by the Board, following recommendations from the Nomination Committee, and are for a period of up to three years, extendable for two additional terms. The committee's members have exclusive rights to attend meetings, although other individuals, such as the CEO, HR head, or external advisors, may be invited when necessary. The company secretary or a nominee act as the committee's secretary, ensuring timely distribution of information for proper consideration. The Board appoints the committee chair, who must be either the Board chair or a non-executive director. In the absence of the chair, the remaining members elect a substitute from those eligible for the position.

NR COMMITTEE MEETINGS AND ATTENDANCE

The Nomination and Remuneration Committee consists of three members, all of whom are non-executive directors. The Committee was chaired by Mr. Salah Shareef and held a total of three meetings in 2024. The attendance record of the members is shown below.

DETAILS	MEETINGS HELD	MEETINGS ATTENDED
Salah Shareef	3	3
Shimaz	3	3
Zuleikha Yoomee Rasheed	3	3

KEY DECISIONS OF THE NR COMMITTEE DURING 2024

- Review and endorsement of the Mifco Executive Committee.
- The Committee conducted the recruitment process to hire a General Manager for the Human Resources Department.
- Approval of Human Resources related policies for the organization.

CONCLUSION

The Committee has effectively guided the Board on matters related to nomination and remuneration. Accordingly, it is satisfied with the progress and activities undertaken during the year.

Chairman of the Committee,

On behalf of the Nomination and Remuneration Committee,
Salah Shareef

AUDIT AND RISK COMMITTEE

The Committee is responsible for reviewing the company's risk profile and evaluating the effectiveness of its risk management policies. It commissions and reviews actuarial studies as necessary to assess potential risks. Additionally, the Committee reviews the effectiveness of internal controls, suggesting modifications where required, and monitors the robustness and integrity of financial statements, ensuring appropriate reporting and disclosures. It also examines the appropriateness of accounting policies, ensuring consistency in their adoption and alignment with international financial reporting standards (IFRS). The Committee provides advice on, and reviews, the internal audit function and its work plan, and oversees the external audit process to ensure its thoroughness and compliance.

COMMITTEE MEETINGS AND ATTENDANCE

The Audit and Risk Management Committee consisted of three members and met six times during the year 2024. All committee members are non-executive directors. The members were appointed by the Board of Directors, with due regard to the provisions in the Company's Articles of Association and Corporate Governance Code. The Committee was chaired by Mrs. Shazna Mohamed. The committee was established to assist the Board in overseeing the Company's financial reporting process and internal control systems, and its mandate has since been expanded to include responsibilities related to risk management. Details of attendance at the meetings are as follows:

DETAILS	MEETINGS HELD	MEETINGS ATTENDED
Shazna Mohamed	6	6
Shimaz	6	6
Zuleikha Yoomee Rasheed	6	6

KEY AUDIT COMMITTEE DECISIONS OF 2024

- The Committee carried out the recruitment process for the position of Chief Internal Auditor.
- The Committee reviewed the Internal Audit reports presented by the Internal Audit Department and reported the findings and recommendations to the Board accordingly.
- The Committee reviewed and endorsed the Audited Financial Statements and the Management Letter issued by the External Auditors for the year ended 31st December 2023.
- The Committee reviewed the Annual Budget for the year 2025.

RISK MANAGEMENT

Throughout the year, the Board prioritised a strong risk management system with regular assessments and effective controls. While some risks are unavoidable, the Board remains committed to protecting the Company's assets, reputation, and long-term sustainability. The Risk and Internal Audit Department monitors and reports risks, maintaining a detailed register and alerting management to major issues. Day-to-day risk management rests with management, while the Board oversees key and strategic risks through the Audit and Risk Management Committee. The overall risk profile remained unchanged in 2024.

PRINCIPAL RISKS

STRATEGIC RISKS

RISK	DESCRIPTION	POTENTIAL IMPACT	MITIGATION MEASURE
Commercial & market	Operates in competitive market	Loss of revenue and profit	• Dynamic Pricing • Internal Controls

OPERATIONAL RISKS

RISK	DESCRIPTION	POTENTIAL IMPACT	MITIGATION MEASURE
Health & safety	Risk of accidents and personal injury	Serious injuries	• Safety Standards. • Training & Supervision.
Fire and Explosion	Lack of Fire extinguishers and measures taken	• Loss of Essential inventories. • Investment Loss.	Immediate incident response plan.

FINANCIAL RISKS

RISK	DESCRIPTION	POTENTIAL IMPACT	MITIGATION MEASURE
Plunge in export prices	Fluctuation in world tuna prices	Loss of revenue and profit	• Investment in storage • Value addition to improve yield and profit

STRATEGIC RISKS

RISK	DESCRIPTION	POTENTIAL IMPACT	MITIGATION MEASURE
IT System Failure	IT systems disruption due to internal failure and third-party service providers	• Interruption to accounting systems. • Business Interruption.	• Continuous review of IT System • Alignment with best practice
Data Breach	Sensitive data being targeted by cyber criminals.	• Business interruption • Financial Loss • Reputational Damage	• Licensed Antivirus Software • Staff training

CONCLUSION

The Committee has effectively guided the Board on matters related to Audit and Risk. Accordingly, it is satisfied with the progress made and the activities undertaken during the year.

Chairman of the Committee,

On behalf of Audit & Risk Committee,

Shazna Mohamed

ANNUAL GENERAL MEETING

The 2023 Annual General Meeting was held on 5th November 2024, at the STO Training Institute. On behalf of the shareholder, the Ministry of Finance and Planning, Deputy Minister Mr. Hassan Miras attended the meeting. Also present were Ms. Aminath Arshy, Senior Financial Analyst from PCB, Board members, and members of the MIFCO Executive Committee.

MAJOR DECISIONS MADE AT THE AGM

- Approved the minutes of the 2022 Annual General Meeting.
- Approved the Director's Report for 2023.
- Approved the Company's Audited Financial Statements for 2023.
- Approved the appointment of External Auditors for the financial year ending 31 December 2024, as instructed by the Auditor General's Office.



SYSTEM FOR RAISING CONCERNS

MIFCO has implemented a whistleblower system that enables employees and other stakeholders to raise concerns regarding fraud, misconduct, non-compliance, and other related issues. All stakeholders can access the company website and use the whistleblower portal to submit their complaints or messages. These submissions are directed to the Chief Internal Auditor and the Chairperson of the Audit & Risk Committee.

In 2024, no notifications were received through the whistleblower portal. However, cases related to disciplinary issues and matters reported by certain authorities were addressed and resolved by the relevant departments and committees.

MIFCO has established a Disciplinary and Grievance Committee, as well as a Sexual Harassment Committee, dedicated to resolving complaints related to harassment and grievances. All cases received by these committees have been duly handled, except for a salary related grievance submitted by employees. Due to the company's financial position and unforeseen management changes, it was unable to approve the requested staff salary increases.

DECLARATION OF THE BOARD

The Board of Directors of MIFCO hereby declares that, to the best of its knowledge and belief, the information provided in this Director's Report accurately reflects the Company's performance, financial position, and governance practices for the financial year ending 2024.

On behalf of the Board,
Shimaz, Acting Chairman

LOOKING AHEAD

In 2025 and beyond, MIFCO aims to:

Increase **production capacity** for value-added products.

Strengthen partnerships for co-packing and private labelling.

Expand **digital systems** for supply chain management and sales tracking.

Reinforce export compliance and product certifications to **access premium markets**.

Invest in employee development and **automation** for long-term efficiency.

MIFCO remains committed to being the leading force in Maldives' fisheries sector, empowering communities, supporting national food security, and creating value for shareholders through sustainable and strategic growth.

An underwater photograph showing a school of fish, likely tuna, swimming in clear blue water. The fish are silvery with yellowish-brown stripes along their sides. They are swimming in various directions, some towards the camera and others away. The water is a deep blue, and there are some bubbles visible near the surface.

Independent Auditor's Report & Audited Statements



Report No: FIN-2025-90(E)

31st July 2025

MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED FINANCIAL YEAR 2024



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AUDITOR GENERAL'S OFFICE

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AUDITOR GENERAL'S REPORT

TO THE SHAREHOLDER AND BOARD OF DIRECTORS OF MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED

Opinion

We have audited the financial statements of Maldives Industrial Fisheries Company Limited (the Company) which comprise the statement of financial position as at 31st December 2024, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies set out in pages 7 to 45

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

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

Material Uncertainty Relating to Going Concern

We draw attention to note 33 in the financial statements, which indicates that the company's accumulated losses as at 31 December 2024 amounted to MVR 1,036,111,660 (2023: MVR 870,959,588) and as of that date, the Company had a net current liability position of MVR 715,788,247. As stated in Note 33, these conditions along with other matters as set forth in Note 33, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the auditors' opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How our audit addressed the Key Audit Matter
<u>Revenue recognition relating to sales of frozen fish, canned fish and Fasmeeru retail sales</u> Refer to the material accounting policies Notes 4.2 and 6 to the financial statements. The company has recorded a revenue of MVR 1,075,554,268 for the year ended 31 December 2024. The Company mainly earns revenue from the export of frozen fish and fishmeal and from sale of canned tuna to both local and international customers. Revenue represents a material item in the financial statements and key performance indicator for the company, subject to higher risk of material misstatement. The recognition of revenue involves significant management judgment, particularly in determining the timing of revenue recognition, especially for export sales where terms of delivery affect the transfer of control; identifying potential discounts and returns which are common in this industry; assessing the cut-off procedures around year-end shipments, which could materially affect reported revenue; therefore, we considered revenue recognition a key audit matter.	<u>Our audit procedures included the following key procedures:</u> • Obtained an understanding of and, assessed the design, implementation and operating effectiveness of key internal controls over initiating, recording, processing and reporting of revenue transactions. • Tested the general IT controls environment and key IT application controls relating to IT application layers in the revenue recognition process. • On sample basis, tested significant revenue transactions during the year, to assess whether the revenue had been recognized in accordance with contractual terms, in the correct accounting period and the requirements of the relevant accounting standards. • Tested on a sample basis, specific revenue transactions recorded before and after the financial year end date with the underlying goods delivery notes and shipping documents such as; bill of lading to assess whether the related revenue had been recognized in the correct financial period.



Key Audit Matters	How our audit addressed the Key Audit Matter
<u>Impairment of trade receivables</u> Refer to material accounting policy Notes 4.9 (i) and 17 to the financial statements. As at 31 December 2024 the Company's trade receivables amounted to MVR 234,197,848 before provision for impairment. An impairment provision is recognised to adjust the receivable balances to the present value based on the estimated future cash flows. The provision for impairment of trade receivables amounted to MVR 137,798,941 as at 31 December 2024. Impairment provision is calculated using statistical methods and historical collection trends adjusted for forward looking information. Significant estimates and assumptions used by the management in such calculations and the basis for impairment is disclosed in accounting policy Note 4.9. We considered the calculation of impairment provision as a key audit matter as it is a complex area requiring management to make significant estimates and assumptions on customer payment behaviours, required a high degree of auditor judgment and an increased extent of effort.	<u>Our audit procedures included the following key procedures:</u> • Checked the accuracy of the data comprising trade receivables balances and the aging of such balances on a sample basis, to determine whether management's application of specific loss rate to the respective age bucket was appropriate. • We tested the key underlying assumptions used in the calculation of the impairment provision by evaluating the process by which those were drawn up and their sources. We also checked the sensitivity of the forward-looking information used in calculation of expected credit losses. • We checked the appropriateness of the methodology applied in the determination of impairment provision calculation by referring the requirements of IFRS 9, Financial instruments; recognition and measurement, and tested the worksheet formulas and logic including mathematical accuracy of management's model used to calculate the impairment provision.



<u>Recoverable amount of Cash Generating Units (CGUs) – Kooddoo, Felivaru and Addu Fisheries Complexes</u> Refer to material accounting policy Note 4.9 (ii) to the financial statements. Kooddoo, Felivaru and Addu fisheries complexes, separate cash generating units of the Company having property, plant and equipment and right of use assets with aggregated carrying amount of MVR 644,759,607 as at 31 December 2024 have incurred operating loss during the year. Management considered this as an impairment indicator and performed impairment assessment on the carrying values of CGUs' assets. The recoverable amounts of CGUs' underlying assets were measured based on value-in-use. Accordingly, the management estimated the value-in-use of the underlying assets of each CGU by estimating the future cash inflows and outflows derived from the continued use of the assets discounted to their present value using appropriate discount rate. As estimation of such cash flows involved significant judgements and assumptions by management, required a high degree of auditor judgment and an increased extent of effort we considered estimation of value-in-use of the underlying assets of each cash generating unit for determining recoverable amount as a key audit matter.	<u>Our audit procedures included the following key procedures:</u> • Checked on a sample basis the accuracy and relevance of the input data used by the management to estimate future cash flows. • Evaluated the appropriateness of the management's cash flows, reasonability of key assumptions and information used by the management. • Evaluated the value in use against the carrying amount of the property, plant and equipment and right of use assets of each CGUs. • Checked the sensitivity by assessing changes in key assumptions and their impact on future cash flows.
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Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 Corporation 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.

Auditors' 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 based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



Auditors' Responsibilities for 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

31st July 2025



Hussain Niyazy
Auditor General

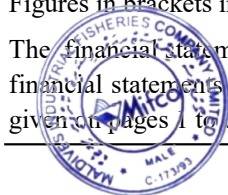


MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
Statement of profit or loss and other comprehensive income
For the year ended 31st December

	Note	2024 MVR	2023 MVR
Revenue	6	1,075,554,268	2,008,805,560
Cost of sales	9	<u>(945,082,470)</u>	<u>(1,776,401,526)</u>
Gross profit		130,471,798	232,404,034
Other income	7	67,400,972	634,699,323
Administrative expenses	9	(285,201,460)	(385,454,125)
Selling and marketing expenses	9	(3,810,594)	(5,137,806)
Provision for impairment loss on trade receivables	17.2	(2,748,061)	(2,963,431)
Other operating expenses	9	<u>(35,051,628)</u>	<u>(100,740,494)</u>
Results from operating activities		(128,938,973)	372,807,501
Finance income	8	44,319,542	2,911,680
Finance costs	8	(81,019,995)	(69,320,044)
Net finance costs		<u>(36,700,453)</u>	<u>(66,408,364)</u>
(Loss) / profit before tax		(165,639,426)	306,399,137
Tax expense	10	-	(8,069,728)
(Loss) / profit for the year		<u>(165,639,426)</u>	<u>298,329,409</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability	23.1	487,354	374,888
Total other comprehensive income		<u>487,354</u>	<u>374,888</u>
Total other comprehensive (loss) / income for the year		<u>(165,152,072)</u>	<u>298,704,297</u>
Basic (loss) / earnings per share	11	(115.04)	207.19

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Company set out on pages 11 to 45. The Report of the Independent Auditors is given on pages 1 to 6.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)

Statement of financial position

AS AT

	Note	31/12/2024 MVR	31/12/2023 MVR
ASSETS			
Non-current assets			
Property, plant and equipment	12	611,094,850	615,783,293
Intangible assets	13	-	278,336
Right-of-use assets	14	33,664,757	36,131,779
Total non-current assets		644,759,607	652,193,408
Current assets			
Inventories	16	208,191,236	354,426,548
Trade and other receivables	17	318,635,670	380,708,404
Amounts due from related parties	18	-	-
Cash and cash equivalents	19	34,030,344	23,645,476
Total current assets		560,857,250	758,780,428
Total assets		1,205,616,857	1,410,973,836
EQUITY AND LIABILITIES			
EQUITY			
Share capital	20	431,960,700	431,960,700
Reserves	21	2,769,881	2,769,881
Accumulated losses		(1,036,111,660)	(870,959,588)
Total equity		(601,381,079)	(436,229,007)
LIABILITIES			
Non-current liabilities			
Loans and borrowings	22	93,759,706	91,170,461
Amounts due to related parties	27	298,496,468	366,178,572
Defined benefit obligation	23	76,048,180	71,536,180
Lease liabilities	24	36,001,497	36,655,916
Deferred income	25	26,046,588	26,537,967
Total non-current liabilities		530,352,439	592,079,097
Current Liabilities			
Loans and borrowings	22	40,032,204	14,484,192
Lease liabilities	24	5,490,327	5,848,219
Trade and other payables	26	244,519,912	384,110,166
Amounts due to related parties	27	368,101,517	200,273,577
Bank overdrafts	19	618,501,537	650,407,592
Total current liabilities		1,276,645,497	1,255,123,746
Total liabilities		1,806,997,936	1,847,202,843
Total equity and liabilities		1,205,616,857	1,410,973,836

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Company set out on pages 11 to 45. The Report of the Independent Auditors is given on pages 1 to 6.

These financial statements were approved by the Board of Directors and signed on 30 July 2025



[Signature]

Director

[Signature]

Chief Executive Officer

[Signature]

Director



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)

Statement of changes in equity

For the year ended 31st December	Share Capital MVR	General Reserve MVR	Accumulated Losses MVR	Total Equity MVR
As at 1 st January 2023	431,960,700	2,769,881	(1,169,663,885)	(734,933,304)
Profit for the year	-	-	298,329,409	298,329,409
Other comprehensive income for the year	-	-	374,888	374,888
As at 31 st December 2023	<u>431,960,700</u>	<u>2,769,881</u>	<u>(870,959,588)</u>	<u>(436,229,007)</u>
As at 1 st January 2024	431,960,700	2,769,881	(870,959,588)	(436,229,007)
Loss for the year	-	-	(165,639,426)	(165,639,426)
Other comprehensive income for the year	-	-	487,354	487,354
As at 31 st December 2024	<u>431,960,700</u>	<u>2,769,881</u>	<u>(1,036,111,660)</u>	<u>(601,381,079)</u>

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Company set out on pages 11 to 45. The Report of the Independent Auditors is given on pages 1 to 6.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)

Statement of cash flows

For the year ended 31st December

		2024	2023
		MVR	MVR
Cash flows from operating activities	Note		
(Loss) / Profit before tax		(165,639,426)	298,329,409
Adjustments for:			
Depreciation on property, plant and equipment	12	50,069,547	38,039,053
Loss / (gain) from disposal of assets	7	3,296,073	(256,506,400)
Amortization of intangible assets	13	278,336	347,672
Amortization of capital grants	25	(491,379)	(919,175)
Provision for impairment of trade receivables and due from related parties	17.2/17.3	2,748,061	2,963,431
Reversal of fish rejection provision	17.2/17.3	(941,100)	(18,019,182)
Depreciation of right of use assets	14	2,206,476	2,447,405
Provision for retirement benefit obligation	23.1	7,957,709	7,892,428
Interest expense	8	81,019,995	69,320,044
Operating loss before working capital changes		(19,495,709)	143,894,685
Working capital changes			
Change in inventories		151,652,704	(36,618,983)
Change in trade and other receivables		62,072,733	(143,991,555)
Change in receivable from Ministry of Finance		(1,505,232)	(13,333,332)
Change in trade and other payables		(139,590,254)	153,571,445
Change in amounts due to related parties		100,145,836	(128,334,450)
Cash flows generated from / (used) in operating activities		153,280,078	(24,812,191)
Payments of retirement benefit obligation	23	(3,445,708)	(3,866,589)
Interest paid		(80,695,056)	(42,808,532)
Net cash generated from / (used in) operating activities		69,139,314	(71,487,312)
Cash flows from investing activities			
Purchase and construction of property, plant and equipment	12	(45,381,104)	(271,261,526)
Net cash used in investing activities		(45,381,104)	(271,261,526)
Cash flows from financing activities			
Government grant received		-	236,666,668
Loans and borrowings obtained	22	49,472,579	100,527,421
Repayments of borrowings	22	(30,130,469)	(9,816,957)
Principal element of lease payments	24	(809,397)	(884,997)
Net cash generated from financing activities		18,532,713	326,492,135
Net increase/ (decrease) in cash and cash equivalents		42,290,923	(16,256,703)
Cash and cash equivalents at beginning of the year		(626,762,116)	(610,505,413)
Cash and cash equivalents at end of the year	19	(584,471,193)	(626,762,116)

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Company set out on pages 11 to 45. The Report of the Independent Auditors is given on pages 46 to 6.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
Notes to the financial statements

1. REPORTING ENTITY

These financial statements relate to the operations of Maldives Industrial Fisheries Company Limited (MIFCO), (the "Company"), a limited liability Company incorporated in the Republic of Maldives under the Act No.25/82 on 1 November 1993.

The principal activities of the Company are export of frozen fish, canned tuna, Katsubishi, fish meal and retail sales in the local market by the name Fasmeeru products. The address of its registered office is Block No.389, Hilalee Magu, Male', Republic of Maldives.

The immediate parent entity of the Company was State Trading Organization PLC till 30 December 2023.

The Government of Maldives, pursuant to the decision by the Cabinet Meeting on 5th December 2023, communicated via letter of Presideent office dated 14th December 2023 (Reference No 1-POL(PRA) 13/2023/329), have decided to nationalize and re-acquire whole of the shares of MIFCO. In light of this decision, The Ministry of Finance and, State Trading Organization PLC and Allied Insurance Company of Maldives Private Limited being the current shareholders of MIFCO have reached on an agreement to transfer all of its shares with any and a financial, legal and corporate undertakings and liabilities attached to Government of Maldives on 20th December 2023.

The Parties agreed that for the purpose completing accounting formalities, including identifying the assets and liabilities of MIFCO and transfer of controlling ownership held by STO and Allied Insurance Company (STO group), the cut-off date of share transfer shall be 30th December 2023.

The company is fully owned by the Government of Maldives with effective from 30 December 2023.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

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

The decision has been taken by management of the Company to maintain the reporting currency as Maldivian Rufiyaa in the financial statements since most of the business transactions are dealt in Maldivian Rufiyaa.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
Notes to the financial statements

2 BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about critical judgement in applying accounting policies that has the most significant effect on the amounts recognised in the financial statements is included in the respective notes.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as at 31st December 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the respective notes.

i. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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 observable market 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 follow :

- 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).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
Notes to the financial statements

3. CHANGES IN MATERIAL ACCOUNTING POLICIES

3.1 Adoption of new or revised standards and interpretations

(A) Adoption of new or revised standards and interpretations.

The Company has applied the following standards and amendments for the first time for their annual reporting periods commencing 1 January 2024. Most of the amendments listed below did not have any significant impact on amounts recognised in prior periods and are not expected to significantly affect current or future period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards:

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

(B) New and amended accounting standards not yet adopted.

A number of new standards for annual periods beginning after 01 January 2024 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.

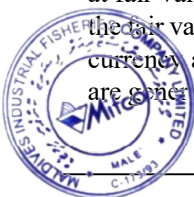
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability.
- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments.
- IFRS 18 Presentation and Disclosures in Financial Statements.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

4. MATERIAL ACCOUNTING POLICIES

4.1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance costs.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
Notes to the financial statements

4. MATERIAL ACCOUNTING POLICIES (continued)

4.2 Revenue

Revenue is recognised upon satisfaction of performance obligation. Revenue recognition occurs at a point in time when control is transferred to the customer, generally on delivery of the goods and service.

Customers obtain control of the goods when the goods are handed over to customers. Payment of the transaction price is due immediately when the customer purchases the fish products and takes delivery in store. Revenue from the sale of goods is recognized when the Company sells a product to the customer.

4.3 Finance income and finance costs

Finance cost comprises interest expenses on borrowings and foreign exchange loss. Borrowings costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis.

4.4 Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

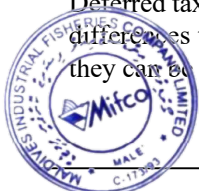
(i) Current tax

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

(ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss;

Deferred tax assets are recognized for unused tax losses. Unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
Notes to the financial statements

4. MATERIAL ACCOUNTING POLICIES (continued)

4.4 Income tax

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

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

4.5 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first in first out and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

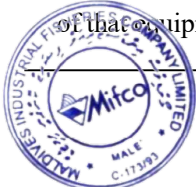
Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

4.6 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment 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.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
Notes to the financial statements

4. MATERIAL ACCOUNTING POLICIES (continued)

4.6 Property, plant and equipment (continued)

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.

(ii) 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.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

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 and warehouses	20 Years
Plant and machineries	15 Years
Sea vessels, launches, dhonis, barges and fleet equipment	10 Years
Motor vehicles	5 Years
Jetty piers and infrastructure	20 Years
Furniture, fitting, office and laboratory	5 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 date in which the asset is available for use and charged up to the date of disposal.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
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Notes to the financial statements

4. MATERIAL ACCOUNTING POLICIES (continued)

4.7 Intangible assets

(i) Recognition and measurement

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

Costs that are directly associated with the purchase and implementation of identifiable and unique software products by the Company are recognized as intangible assets. Expenditures that enhance and extend the benefits of computer software program beyond their original specifications and lives are recognized as a capital improvement and added to the original cost of the software.

(ii) Subsequent expenditure

Subsequent expenditure is only capitalized if costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Company has sufficient resources to complete development and to use the asset.

(iii) Amortization

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Computer software	3 Years
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4.8 Financial instruments

(i) Recognition and initial measurement

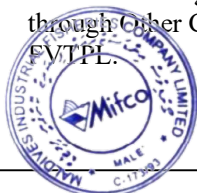
Trade receivables and debt securities are initially recognized when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

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

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified and measured at: amortized cost, Fair Value through Other Comprehensive Income ("FVOCI") – Debt investment, FVOCI – equity investment or FVTPL.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
Notes to the financial statements

4. MATERIAL ACCOUNTING POLICIES (continued)

4.8 Financial instruments (continued)

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

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

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

Financial assets - Business model assessment

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

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

Financial assets - Assessment whether the cash flows are solely payment of principal and interest

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

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

(iii) Financial assets - subsequent measurement and gains and losses

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.
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MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
Notes to the financial statements

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.8 Financial instruments (Continued)

(iv) Financial liabilities – classification, subsequent measurement and gains and losses

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

The Company's non-derivative financial liabilities consist of amount due to related parties, loans and borrowings and trade and other payables. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(v) De-recognition

Financial assets

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

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

Financial liabilities

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

(vi) Offsetting

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



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
Notes to the financial statements

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.9 Impairment

(i) Non-derivative financial assets

Financial instruments

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

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
Notes to the financial statements

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.9 Impairment (Continued)

Presentation of allowance for ECL in the statement of financial position

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

(ii) Non-financial assets

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

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

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

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

4.10 Share Capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

4.11 Employee benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company contributes 7% of members' salary into the scheme with an additional, minimum, 7% of salary being contributed by the members.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
Notes to the financial statements

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.11 Employee benefits (continued)

(b) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount. The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(c) Short-term benefits

Short-term employee benefit obligations of the Company are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.12 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

4.13 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As a Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
Notes to the financial statements

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.13 Leases (Continued)

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

4.14 Events occurring after the reporting date

The materiality of the events occurring after the reporting date has been considered and appropriate adjustments and provisions have been made in the financial statements wherever necessary.

4.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.



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Notes to the financial statements

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.15 Fair value measurement (continued)

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

5. CAPITAL 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 the Company and to maintain an optimal capital structure to reduce the cost of capital.

Borrowings from related Companies are in the nature of subordinated debt and are treated as part of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends payable to shareholders, issue new shares or sell assets to reduce debt.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings and trade and other payables, as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position.



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Notes to the financial statements

4. CAPITAL MANAGEMENT (CONTINUED)

	31/12/2024	31/12/2023
	MVR	MVR
Total liabilities	1,757,492,443	1,847,202,843
Less: Cash and cash equivalents (Note 19)	<u>(20,228,238)</u>	<u>(23,645,476)</u>
Net debt	1,737,264,205	1,823,557,367
 Total equity	 (592,004,937)	 (436,229,007)
 Net debt to equity ratio	 High debt	 High debt



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Notes to the financial statements (continued)

For the year ended 31st December

6 REVENUE	2024	2023
	MVR	MVR
Frozen fish	693,394,136	1,731,988,468
Fasmeeru retail sales	357,576,078	321,554,842
Canned fish	105,899,942	148,496,681
Sales of ice	7,725,127	11,221,569
Fishmeal	26,818,147	28,607,060
Other products	93,672	1,666,641
	<u>1,191,507,102</u>	<u>2,243,535,261</u>
Less: export related expenses (Note 6.1)	<u>(115,952,834)</u>	<u>(234,729,701)</u>
	<u><u>1,075,554,268</u></u>	<u><u>2,008,805,560</u></u>
6.1 Export related expenses		
Freight and other expenses	93,279,165	206,724,165
Cost of fish rejections and short landings	22,673,669	28,005,536
	<u>115,952,834</u>	<u>234,729,701</u>
7 OTHER INCOME	2024	2023
	MVR	MVR
Sales of fuel	38,999,971	106,208,287
Staff shop sales	6,927,630	6,444,677
Rental income	456,000	456,000
Sales of water	222,662	47,024
Income from ferry service	120,000	120,000
Amortisation of deferred income (Note 25)	491,379	917,992
Gain from assets disposal	-	256,506,400
Government grant (Note 7.1)	-	250,000,000
Other income	20,183,330	13,998,943
	<u>67,400,972</u>	<u>634,699,323</u>
7.1 The Government has approved MVR 404,356,780 as fisheries subsidy in the year 2024 fiscal budget and disbursed MVR 389,518,216 during the year. The remaining amount has been disbursed subsequent to the financial year. Pursuant to the agreement signed between the Company and Ministry of Finance (MOF) on 1 August 2024, The MOF commits to provide a subsidy of MVR 4 (Maldivian Rufiyaa Four) per each kilogram of tuna purchased directly from local fishing vessels. Accordingly, current year's subsidy was offset against the cost of sales, as its purpose was to support and maintain the fish purchase price, enabling the company to procure fish from local fishermen at government regulated rates. In 2023, the subsidy was granted to MIFCO as compensation for financial losses and was accordingly presented under "Other Income."		
8 NET FINANCE COSTS	2024	2023
	MVR	MVR
Finance income		
Foreign exchange gain	44,319,542	2,911,680
	<u>44,319,542</u>	<u>2,911,680</u>
Finance costs		
Interest on borrowings (Note 22)	(8,795,147)	(6,196,348)
Interest on related party loan	(34,716,520)	(12,669,249)
Interest on bank overdraft	(34,202,785)	(46,368,924)
Interest on lease liabilities	(3,305,543)	(4,085,522)
	<u>(81,019,995)</u>	<u>(69,320,044)</u>
Net finance costs	<u><u>(36,700,453)</u></u>	<u><u>(66,408,364)</u></u>



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Notes to the financial statements (continued)

For the year ended 31st December

9 EXPENSES BY NATURE	2024 MVR	2023 MVR
Cost of fish	186,870,562	1,156,513,463
Employee benefit expense (Note 9.1)	297,373,896	298,098,012
Local product cost	312,767,890	279,651,432
Cost of fuel consumed	147,517,168	184,949,537
Cost of MGO sold	35,321,270	96,542,026
Repairs & maintenance	35,225,257	41,112,330
Depreciation (Note 12)	50,069,547	38,039,053
Cost of packing materials	30,003,843	25,326,745
Other expenses	25,984,460	32,383,311
Cost of material	45,035,263	39,938,817
Cost of oil	49,020,114	19,063,748
Bank charges	5,712,642	5,215,650
Travelling expenses	10,674,545	13,687,866
Sales & marketing	3,167,013	4,458,564
Visa & passport expenses	10,234,792	7,685,818
Amortization of intangible assets (Note 13)	278,336	347,672
Telephone, internet charges	3,446,179	3,435,146
Electricity	2,703,497	2,769,280
Amortization of right of use assets (Note 14)	2,206,476	2,447,405
Cost of Gas	2,507,170	2,147,305
Cost of firewood	1,382,776	1,390,387
Insurance expenses	629,547	1,181,952
Stationery & office supplies	1,271,892	1,441,061
Damage & spoilage expenses	994,214	2,283,953
Loss from assets disposal	3,296,073	-
Cost of brine salt	2,038,959	3,121,563
Cost of freezing materials	811,690	1,110,694
Professional fee	342,825	686,977
WHT expenses	396,524	1,339,314
Staff insurance	1,725,086	1,157,285
IT expenses	136,648	207,587
	<u>1,269,146,152</u>	<u>2,267,733,952</u>
Classified as:		
Cost of sales	1,349,439,250	1,776,401,527
Less - government grant (Note 7.1)	(404,356,780)	-
Cost of sales net of government grant	<u>945,082,470</u>	<u>1,776,401,527</u>
Administrative expenses	285,201,460	385,454,125
Other operating expenses	35,051,628	100,740,494
Selling and marketing expenses	3,810,594	5,137,806
	<u>1,269,146,152</u>	<u>2,267,733,952</u>



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Notes to the financial statements (continued)

For the year ended 31st December

9.1 EXPENSES BY NATURE (CONTINUED)

	2024	2023
	MVR	MVR
Employee benefit expenses		
Salaries and wages	233,651,265	234,784,754
Employer's contribution to government pension fund	4,339,536	4,676,076
Staff medical	1,027,076	752,589
Staff welfare and food	49,910,956	49,992,165
Provision for retirement benefit (Note 23)	8,445,063	7,892,428
	<u>297,373,896</u>	<u>298,098,012</u>

10 INCOME TAX EXPENSE

2024
MVR

2023
MVR

10.1 Current tax expense

Current tax expense (Note 10.2)	-	8,069,728
Deferred tax asset recognized during the year	-	-
	<u>-</u>	<u>8,069,728</u>

10.2 Reconciliation between accounting profit and tax loss:

2024
MVR

2023
MVR

(Loss) / profit before tax	(165,639,426)	306,399,137
Aggregate disallowable items	197,410,957	170,038,453
Aggregate allowable items	(190,826,933)	(443,877,801)
Accumulated tax loss claim	-	-
Tax (loss) / income for the year	(159,055,402)	32,559,789
Gain on disposal of property subject to capital gains tax	-	21,238,400
Total taxable (loss) / income for the year	(159,055,402)	53,798,189
Size of the tax bracket available at 0%	(500,000)	(500,000)
Amount subject to tax at 15%	-	53,298,189
	<u>-</u>	<u>8,069,728</u>
Income tax @ 15%	-	8,069,728

In accordance with the provisions of the Income Tax Act No. 5 of 2020 and subsequent amendments and regulations thereto, the Company is liable for income tax on its taxable profits at the rate of 15%. However, no provision for the income tax is made since the Company has incurred a tax loss during the year.

10.3 Accumulated tax losses

31/12/2024
MVR

31/12/2023
MVR

Opening balance	-	452,069,072
Tax loss for the year	(159,055,402)	
Adjustment with respect of previous years	-	-
Tax loss claim	-	-
Tax loss claim not eligible due to change in shareholders	-	(452,069,072)
Closing balance	<u>(159,055,402)</u>	<u>-</u>



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Notes to the financial statements (continued)

For the year ended 31st December

10.0 INCOME TAX EXPENSE (CONTINUED)

10.4 The unrecognized deferred tax assets are attributable to the following:

	31/12/2024		31/12/2023	
	Temporary difference	Tax effect	Temporary difference	Tax effect
	MVR	MVR	MVR	MVR
Property, plant and equipment	5,788,735	868,310	9,823,218	1,473,483
Intangible assets	-	-	(156,900)	(23,535)
Accumulated tax losses	159,055,402	23,858,310	-	-
Defined benefit obligation	76,048,180	11,407,227	71,536,180	10,730,427
	<u>240,892,317</u>	<u>36,133,847</u>	<u>81,202,498</u>	<u>12,180,375</u>

The Company has not recognized the above deferred tax assets since it is not probable that the Company will generate future taxable profits against which these benefits could be utilized.

11 BASIC EARNINGS PROFIT PER SHARE

The calculation of basic (loss)/ earnings per share is based on (loss) / profit for the year attributable to the ordinary shareholders and weighted number of ordinary shares outstanding during the year and calculated as follows:

	2024	2023
(Loss) / profit attributable to the ordinary shareholders - MVR	(165,639,426)	298,329,409
Weighted average number of ordinary shares	1,439,869	1,439,869
Basic (loss) / earnings per share - MVR	<u>(115.04)</u>	<u>207.19</u>



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Notes to the financial statements (continued)

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12 PROPERTY, PLANT AND EQUIPMENT

	Buildings and Warehouses	Plant and Machineries	Sea vessels, Launches,Dhonis,B arges and Fleet equipments	Motor vehicles	Jetty piers and infrastructure	Furniture, fittings, office and , store, laboratory equipments	Capital work-in- progress	Total 2024	Total 2023
	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR
Cost									
Balance as at 1 st January	321,183,703	471,926,377	401,775,088	50,012,252	70,002,882	168,616,283	220,468,165	1,703,984,749	1,448,660,923
Additions during the year	3,085,319	3,088,881	1,682,574	-	-	3,486,944	34,037,387	45,381,104	271,261,526
Disposal during the year (Note 12.2)	(17,267,899)	(24,409,319)	(14,380,905)	(116,105)	(12,792,656)	(7,887,923)	-	(76,854,805)	(15,937,700)
Transfers from CWIP	-	-	-	-	-	-	-	-	-
Written-off during the year	-	-	-	-	-	-	-	-	-
Balance as at 31 st December	307,001,122	450,605,939	389,076,757	49,896,147	57,210,226	164,215,304	254,505,552	1,672,511,047	1,703,984,749
Accumulated depreciation									
Balance as at 1 st January	236,548,174	334,362,318	260,950,117	43,051,247	66,571,860	146,717,740	-	1,088,201,456	1,066,100,103
Charge for the year (Note 9)	5,103,064	21,222,060	11,900,897	2,164,111	1,103,824	8,575,592	-	50,069,547	38,039,053
Disposal during the year (Note 12.2)	(17,267,899)	(24,409,319)	(14,380,905)	(116,105)	(12,792,656)	(7,887,923)	-	(76,854,805)	(15,937,700)
Written-off during the year	-	-	-	-	-	-	-	-	-
Balance as at 31 st December	224,383,339	331,175,059	258,470,109	45,099,253	54,883,028	147,405,409	-	1,061,416,197	1,088,201,456
Net carrying value									
As at 31 st December 2024	82,617,783	119,430,880	130,606,648	4,796,894	2,327,198	16,809,895	254,505,552	611,094,850	
As at 31 st December 2023	84,635,528	137,564,059	140,824,971	6,961,005	3,431,022	21,898,543	220,468,165		615,783,293

12.1 The capital work-in- progress at the end of the reporting period comprises of following projects;

	31/12/2024	31/12/2023
Ongoing Vessel (Three) Acquisition & Modification	69,036,711	55,943,756
Brine Freezing Facility at Kooddoo Fisheries Complex	52,921,346	43,305,977
Brine Freezing Facility and Cold Storage at Gdh.Thinadhoo	50,344,183	40,703,956
Funaddoo Fisheries Complex development project (Note 12.2)	23,130,000	23,130,000
Felivaru Expansion Project	34,820,463	22,725,120
Felivaru RO Plant (150 TPD) Installation	-	4,183,608
Gdh.Gadhdhoo Ice Plant	12,927,353	8,264,086
Kooddoo Power House Extension	2,958,960	3,290,699
Gdh.Thinadhoo Storage Project	4,170,582	4,170,582
Fuvahmulah Fish Collection Centre	2,189,353	2,189,353
MIFCO Head Office Extension	-	1,382,901
Guest house extension - Kooddoo Fisheries Complex	1,450,665	1,392,887
Other ongoing projects	555,936	9,785,240
	<u>254,505,552</u>	<u>220,468,165</u>

12.2 Pursuant to the letter from Ministry of Fisheries and Ocean Resources dated on 03 August 2024 (Letter Number – 1-CBO)CS/30/2024/97), The company has transferred land right of Kanduooyigiri Fish Village to Maldives National Defence Force with effective from 4 August 2024 . As a result of that, Company has derecognized lease right along with all buildings,Jetty piers and infrastructure and Capital work-in-progress.



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Notes to the financial statements (continued)

For the year ended 31st December

13	INTANGIBLE ASSETS	Computer software MVR	Capital work-in-progress MVR	Total 2024 MVR	Total 2023 MVR
	Cost				
	As at 1 st January	18,162,633	-	18,162,633	18,162,633
	Disposal during the year	(588,565)	-	(588,565)	
	As at 31 st December	17,574,068	-	17,574,068	18,162,633
	Accumulated amortization				
	As at 1 st January	17,884,297	-	17,884,297	17,536,625
	Amortization for the year (Note 9)	278,336	-	278,336	347,672
	Disposal during the year	(588,565)	-	(588,565)	-
	As at 31 st December	17,574,068	-	17,574,068	17,884,297
	Net carrying value				
	As at 31 st December 2024	-	-	-	
	As at 31 st December 2023	278,336	-		278,336

14	RIGHT OF USE ASSET	31/12/2024 MVR	31/12/2023 MVR
	Cost		
	Opening balance	47,557,162	47,557,162
	Additions during the year	271,521	-
	Recognitions during the year	(728,936)	-
	As at 31 st December	47,099,746	47,557,162
	Accumulated depreciation		
	Opening balance	11,425,383	8,977,978
	Charge for the year	2,206,476	2,447,405
	Recognitions during the year	(196,869)	-
	Closing balance	13,434,990	11,425,383
	Net carrying value	33,664,757	36,131,779

14.1 The Company has recognised right of use asset in relation to the leasehold rights of lands, buildings and Ice plants. As per the agreements, any extensions to the lease periods have to be mutually agreed with the government. Therefore extensions have not been considered for determination of lease term.

15	EQUITY ACCOUNTED INVESTEEES	31/12/2024 MVR	31/12/2023 MVR
	As at 1 st January	21,637,400	21,637,400
	Less: impairment of the investment (Note 15.1)	(21,637,400)	(21,637,400)
	As at 31 st December	-	-
15.1	Provision for impairment of the investments		
	As at 1 st January	21,637,400	21,637,400
	Add: provision for the year	-	-
	As at 31 st December	21,637,400	21,637,400

Maldives Marine Products Private Limited

The Company acquired 211,474 shares of Maldives Marine Products Private Limited at MVR 100/- each on 19th October 2011. This represent 30% of the shareholding of the investee Company. The principal activity of the Company is to export frozen fish and retail sales in the local market.



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Notes to the financial statements (continued)

For the year ended 31st December

15 EQUITY ACCOUNTED INVESTEEES (CONTINUED)

Ukulas Private Limited

The Company acquired 49% shareholding in Ukulas Private Limited during the year ended 31st December 2012 for the consideration of MVR 490,000/-.

The Board decided to impair its investments held in associates on 30th September 2016. The two companies are dormant at present and no activities have been carried out in the past several years

16 INVENTORIES	31/12/2024	31/12/2023
	MVR	MVR
Raw material	73,658,205	106,120,010
Consumables	104,108,773	128,209,494
Finished goods	34,371,179	99,328,262
Fuel and lubricants	15,205,126	13,458,623
Shop inventories	11,863,812	9,269,144
Goods in transit	10,762,019	45,236,285
Less: provision for slow and non-moving inventories (Note 16.1)	(41,777,878)	(47,195,271)
	<u>208,191,236</u>	<u>354,426,548</u>

16.1 Provision for slow and non moving inventories

As at 1 st January	47,195,271	47,195,271
Writing-off of provision	(5,417,393)	-
As at 31 st December	<u>41,777,878</u>	<u>47,195,271</u>

17 TRADE AND OTHER RECEIVABLES

	31/12/2024	31/12/2023
	MVR	MVR
Trade receivables	234,197,848	285,368,285
Less : provision for impairment loss (Note 17.1)	(137,798,941)	(135,991,980)
	<u>96,398,907</u>	<u>149,376,305</u>
Prepayments	200,829	75,439
Receivable from Ministry of Finance (Note 7)	14,838,564	13,333,332
Other receivables	215,488,419	226,214,376
Less : provision for impairment of other receivables (Note 17.4)	(8,291,049)	(8,291,049)
	<u>318,635,670</u>	<u>380,708,404</u>

17.1 Provision for impairment loss

Provision for impairment of trade receivables (Note 17.2)	137,627,832	134,879,771
Provision for reject fish receivables (Note 17.3)	171,109	1,112,209
	<u>137,798,941</u>	<u>135,991,980</u>

17.2 Provision for impairment of trade receivables

As at 1 st January	134,879,771	131,916,340
Provision during the year	2,748,061	2,963,431
As at 31 st December	<u>137,627,832</u>	<u>134,879,771</u>

17.3 Provision for reject fish receivables

As at 1 st January	1,112,209	19,131,391
Reversal during the year	(941,100)	(18,019,182)
As at 31 st December	<u>171,109</u>	<u>1,112,209</u>



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17 TRADE AND OTHER RECEIVABLES (CONTINUED)

	31/12/2024	31/12/2023
	MVR	MVR
17.4 Provision for impairment of other receivables		
As at 1 st January	8,291,049	-
Provision made during the year	-	8,291,049
As at 31 st December	<u>8,291,049</u>	<u>8,291,049</u>

17.5 Other receivable mainly include advance paid to suppliers amounting to MVR 181,591,108/- (2023 -MVR 145,600,899).

18 AMOUNTS DUE FROM RELATED PARTIES

	31/12/2024	31/12/2023
	MVR	MVR
Maldives Marine Products Private Limited	13,010,881	13,010,881
Ukulas Private Limited	<u>1,056,179</u>	<u>1,056,179</u>
	14,067,060	14,067,060
Provision for impairment loss for Ukulas Private Limited	(1,056,179)	(1,056,179)
Provision for impairment loss for Maldives Marine Products Private Limited	<u>(13,010,881)</u>	<u>(13,010,881)</u>
	-	-

19 CASH AND CASH EQUIVALENTS

	31/12/2023	31/12/2022
	MVR	MVR
Favorable balances		
Cash in hand	11,910,280	8,602,733
Balances at banks	<u>22,120,064</u>	<u>15,042,743</u>
	34,030,344	23,645,476
Unfavorable balances		
Bank overdrafts (Note 19.1 to 19.5)	(618,501,537)	(650,407,592)
Cash and cash equivalents	<u>(584,471,193)</u>	<u>(626,762,116)</u>

Source of finance of overdraft facilities

- 19.1** The Company entered into a loan agreement with SME Development Finance Corporation Private limited dated 17 September 2020 and obtained an overdraft facility amounting to MVR 570,000,000/- at an interest rate of 6% annually for the purpose of working capital management requirement. The overdraft facility tenor has been extended by another two years with effective from 16 September 2024. The facility is secured by a government guarantee.
- 19.2** The Company renewed a overdraft facility with Habib bank limited dated on 1 July 2024 for the one year amounting to USD 600,000/- at and interest rate 9% per annum or 1 month LIBOR+5%, whichever is higher. The facility is secured by a government guarantee.
- 19.3** The Company renewed an overdraft facility with State bank of India dated on 17 August 2024 for the one year amounting to USD 1,000,000/- at an interest rate 10% per annum. The facility is secured by a government guarantee.
- 19.4** The Company entered into a short term loan agreement with Habib bank limited dated 28 October 2021 and obtained short term loan facility amounting to MVR 25,000,000/- at and interest rate 8% per annum or 3 month T-bill +3%, whichever is higher. The overdraft facility is renewed on 30 June 2024 for another one year . The facility is secured by a Lien over FDR amounting MVR 32.5M in the name of Sate Trading Organisation PLC.
- 19.5** Pursuant to the to the tripartite agreement signed between the Government of the Republic of Maldives, the Bank of Maldives PLC and Company (Dated 8 December 2024) to facilitate the account sweeping arrangement between MIFCO's designated USD and MVR accounts, Company is required to maintain MVR 50 Million at any given time. Ministry of Finance on behalf of Government of Maldives has deposited MVR 50 million into Company designated account to support this arrangement and ensure smooth operations, with a continuing obligation to maintain sufficient funds in the account to meet the liquidity requirements for fish purchase payouts.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
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Notes to the financial statements (continued)

For the year ended 31st December

20 SHARE CAPITAL

20.1 Authorized

The total authorized share capital comprises of 2,000,000 (2023: 2,000,000) ordinary shares with a par value of MVR 300/- per share.

20.2 Issued and fully paid

The issued and fully paid share capital comprises of 1,439,869 (2023: 1,439,869) ordinary shares with a par value of MVR 300/- per share.

20.3 Dividends and voting rights

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote per share at the shareholders' meetings of the Company.

21 RESERVES

31/12/2024

31/12/2023

MVR

MVR

General reserve (Note 21.1)

2,769,881

2,769,881

21.1 This is a non-distributable capital reserve, which is brought forward from Felivaaru.

22 LOANS AND BORROWINGS

31/12/2024

31/12/2023

MVR

MVR

As at 1st January

105,654,653

9,455,768

Loans obtained during the year

49,472,579

100,527,421

Repayments during the year

(30,130,469)

(9,816,957)

Interest for the year

8,795,147

5,488,422

As at 31st December

133,791,910

105,654,653

22.1 Sources of finance

Ministry of Fisheries and Agriculture

4,343,494

4,343,494

Bank of Maldives

5

783,743

Habib Bank

129,448,416

100,527,421

133,791,915

105,654,658

22.2 Maturity analysis

Non - current liabilities

Loans and borrowings (Note 22.3)

93,759,706

91,170,461

Current liabilities

Loans and borrowings (Note 22.4)

40,032,204

14,484,192

22.3 Non - current liabilities

Ministry of Fisheries and Agriculture I

1,682,379

2,294,155

Ministry of Fisheries and Agriculture II

392,059

914,811

Habib Bank term loan

91,685,268

87,961,495

93,759,706

91,170,461

22.4 Current liabilities

Bank of Maldives III

-

783,738

Ministry of Fisheries and Agriculture I

1,223,552

611,776

Ministry of Fisheries and Agriculture II

1,045,504

522,752

Habib Bank term loan

37,763,148

12,565,926

40,032,204

14,484,192



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)

Notes to the financial statements (continued)

For the year ended 31st December

22 LOANS AND BORROWINGS (CONTINUED)

22.5 Terms and Repayment Schedule

Source of finance	Purpose	Nominal interest rate	Maturity Date	Security	Carrying amount	
					31/12/2024	31/12/2023
					MVR	MVR
Ministry of Fisheries and Agriculture I	Finance lease	Interest free	30-Jun-2027	None	2,905,931	2,905,931
Ministry of Fisheries and Agriculture II	Marine resources	Interest free	28-Feb-2024	Government of Maldives	1,437,563	1,437,563
Bank of Maldives III	Ice plant loans	8%	30-Jun-2024	Mortgage of leasehold right of commercial plot and all buildings,	-	783,738
Habib Bank Limited	Term Loan	7.50%	5-Jun-2028	Note - 22.8	129,448,416	100,527,421
					<u>133,791,910</u>	<u>105,654,653</u>

22.6 Pursuant to the decision made by the Maldives Economic Council on 27 February 2023 and subsequent letters received from Ministry of Finance dated on 8 March 2023 and 26 March 2023 (13/D1/134/2023/03 ,13/D1/134/2023/034) , the Government of Maldives waived the loan balance and interest & penalty interest accumulated as at 31 December 2021 amounting to MVR 576,467,762/- with effect from 1 January 2022.

22.7 Borrowings are guaranteed by Government of Maldives.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)

Notes to the financial statements (continued)

For the year ended 31st December

23 DEFINED BENEFIT OBLIGATION	31/12/2024 MVR	31/12/2023 MVR
Opening balance	71,536,179	67,885,228
Current service cost	4,270,801	3,954,445
Interest cost	4,174,262	3,937,983
Actuarial gain for the year	(487,354)	(374,888)
	<u>79,493,888</u>	<u>75,402,768</u>
Less: Payments during the year	(3,445,708)	(3,866,589)
Closing balance	<u>76,048,180</u>	<u>71,536,179</u>

23.1 Following amounts are recognized in profit or loss and other comprehensive income during the year in respect of retirement benefit obligation.

	31/12/2024 MVR	31/12/2023 MVR
<i>Recognized in profit or loss</i>		
Current service cost	4,270,801	3,954,445
Interest cost	4,174,262	3,937,983
	<u>8,445,063</u>	<u>7,892,428</u>
<i>Recognized in other comprehensive income</i>		
Actuarial gain for the year	(487,354)	(374,888)
	<u>(487,354)</u>	<u>(374,888)</u>

23.2 All the local employees who are working in the company (who have completed 10 years of service) are entitled to the retirement benefits under the Company policy.

23.3 The retirement benefit obligation of the Company is estimated based on the actuarial valuation carried out by Smiles Global (Private) Limited as at 31st December 2024. Key assumptions used in the calculation are as follows :

	31/12/2024	31/12/2023
Expected salary increment	5.00%	5.00%
Discount rate	4.60%	4.60%
Staff turnover rate	22.00%	18.00%

23.4 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31/12/2024		31/12/2023	
	Increase MVR	Decrease MVR	Increase MVR	Decrease MVR
Expected salary increment (1% movement)	3,609,897	(3,426,174)	2,680,358	(2,507,535)
Discount rate (1% movement)	(3,662,518)	3,149,700	(2,729,855)	2,962,826
Staff turnover rate (1% movement)	(264,829)	417,455	(140,652)	143,571



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
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Notes to the financial statements (continued)

For the year ended 31st December

23 DEFINED BENEFIT OBLIGATION (CONTINUED)

Analysis of maturity profile

The analysis was performed based on the future working life time of each individual employee. The expected future working life considers the probability of an exit due to withdrawal, death or disability prior to retirement date

31st December 204

Future expected working life

	Number of employees	Average future expected working life	Retirement benefit obligation
Within the next 12 months	30	0.53	5,697,564
Between 1-2 years	21	1.43	1,267,856
Between 2-5 years	63	3.66	8,962,288
Between 5-10 years	105	7.35	16,766,921
Beyond 10 years	709	24.99	43,353,552
Total	928	37.95	76,048,181

31st December 2023

Future expected working life

	Number of employees	Average future expected working life	Retirement benefit obligation
Within the next 12 months	9	0.37	1,843,411
Between 1-2 years	45	1.57	7,127,832
Between 2-5 years	52	4.14	6,480,004
Between 5-10 years	109	7.80	16,591,216
Beyond 10 years	708	25.82	39,493,717
Total	923	39.69	71,536,180

24 LEASE LIABILITY

	31/12/2024 MVR	31/12/2023 MVR
Opening balance	42,504,135	42,205,779
Additions during the year	271,521	-
Add : Interest expense for the year	3,305,543	4,085,522
Less : Principal paid during the year	(809,397)	(884,997)
Less : Interest paid during the year	(2,977,769)	(2,902,169)
Disposals during the year	(802,209)	-
Closing balance	41,491,824	42,504,135

24.1 Maturity analysis

Current liability	5,490,327	5,848,219
Non-current liability	36,001,497	36,655,916
	41,491,824	42,504,135

24.2 Maturity analysis of future undiscounted contractual cash flows are as follows :

	31/12/2024	31/12/2023
Less than one year	5,490,327	5,583,927
Between one and five years	19,673,450	25,631,777
More than five years	119,142,643	119,933,571
	144,306,420	151,149,275



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
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Notes to the financial statements (continued)

For the year ended 31st December

25 DEFERRED INCOME	31/12/2024 MVR	31/12/2023 MVR
As at 1 st January	26,537,967	27,457,142
Add: Additions during the year	-	-
Less: Amortization during the year	(491,379)	(919,175)
Written-off during the year (Note 22.3)	-	-
As at 31 st December	<u>26,046,588</u>	<u>26,537,967</u>

25.1 Deferred income comprises the value of the hull of dhoni 07, which was received from Ministry of Fisheries and Agriculture of Maldives as a Government Grant. The cost value of the hull amounting to MVR 1,235,313/- was capitalized under launches, dhonis and barges in 2014.

Additionally deferred income includes a grant of MVR 2,476,248/- received from Ministry of Fisheries, Agriculture and Marine Resources over the ice plant loan amounting to MVR 6,351,413/-. These grants are amortized over the useful life of the assets. The Ministry of Finance and Treasury has granted MVR 3,463,128/- during the year ended 31st December 2018 to build a 25 ton ice plant complex under the Fisheries Infrastructure development program in Y. Fuvahmulah.

The Ministry of Environment and Energy has granted MVR 2,559,380/- during the year ended 31st December 2019 to switch over from HCFC based Air – Conditioning (AC) technologies to Zero ODP and Low GWP technologies.

Pursuant to the memorandum of understanding signed between the Company and Ministry of Fisheries, Marine Resources & Agriculture dated 08 February 2022 and its subsequent amendments, the company has received government grant amounting to USD 1,500,000/- to acquire the leasehold rights of Th.Funaddoo together with the all buildings, machineries and equipment in the food processing factory with effective from 6 March 2022. Accordingly, the Company acquired the lease hold right of island including all buildings, machineries, and equipment.

26 TRADE AND OTHER PAYABLES	31/12/2024 MVR	31/12/2023 MVR
Trade payables	203,053,943	347,265,556
Dividend payable	2,650,000	2,650,000
Income tax payable	8,069,728	8,069,728
Other payables	30,746,240	26,124,881
	<u>244,519,912</u>	<u>384,110,166</u>

Other payable mainly include advanced received from customers amounting to MVR 27,220,400/- (2023 -MVR 23,130,000/-), and payable to Housing Development Corporation Limited amounting to MVR MVR 771,000/- (2023- MVR 771,000/-).



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
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Notes to the financial statements (continued)

For the year ended 31st December

27 AMOUNTS DUE TO RELATED PARTIES	31/12/2024	31/12/2023
	MVR	MVR
State Trading Organization PLC (Note 27.1)	57,792,810	126,923,210
Fuel Supplies Maldives Private Limited (Note 27.1)	492,736,314	438,764,868
Ministry of Finance	113,907,699	-
Maldives Gas Private Limited	107,760	143,540
Allied Insurance Company of the Maldives Private Limited	942,416	494,859
Maldives State Shipping Private Limited	1,110,986	125,672
	<u>666,597,985</u>	<u>566,452,149</u>

27.1 With reference to the settlement agreement between the Government of Maldives, represented by the Ministry of Finance and State Trading Organization PLC “STO”, the company and Fuel Supplies Maldives Limited “FSM” dated on 20th December 2023, The company shall settle the advance of MVR 53,693,581/- provided by STO to the company for the purchases of vessels, within 1 (one) year from the above settlement agreement date.

Pursuant to the to the signed deed of Novation agreement between the Ministry of Finance on behalf of Government of the Republic of Maldives (“MOF”), State Trading Organization PLC (“STO”) and Company (Dated 16 May 2024 , Agreement number - 60-LA/CON-L/2024/470), Loan agreement has been novated and total disbursed loan amount with accrued interest amounting MVR 62,361,925.89 has been novated with MOF and STO is no longer a party to the loan agreement after the 16 May 2024.

The ownership of MIFCO head office land shall be kept with STO until end of May 2024. Subsequently the Company shall provide a plan for the settlement of land value amounting MVR 255,206,400/- to initiate land ownership transfer process.

The Parties agree to convert dues equivalent to MVR 443,669,060/- owned by MIFCO to Fuel Supplies Maldives Private Limited, a subsidiary company of STO, to a term loan to be repaid with an interest of 7% per annum within 8 years.

27.2 Maturity analysis	31/12/2024	31/12/2023
	MVR	MVR
Non - current liabilities		
Amounts due to related parties	<u>298,496,468</u>	<u>366,178,572</u>
Current liabilities		
Amounts due to related parties	<u>368,101,517</u>	<u>200,273,577</u>
	<u>666,597,985</u>	<u>566,452,149</u>
27.3 Non - current liabilities		
Fuel Supplies Maldives Private Limited	<u>298,496,468</u>	<u>366,178,572</u>
27.4 Current liabilities		
State Trading Organization PLC	57,792,810	126,923,210
Fuel Supplies Maldives Private Limited	194,239,846	72,586,296
Ministry of Finance	113,907,699	-
Maldives Gas Private Limited	107,760	143,540
Allied Insurance Company of the Maldives Private Limited	942,416	494,859
Maldives State Shipping Private Limited	1,110,986	125,672
	<u>368,101,517</u>	<u>200,273,577</u>



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
Notes to the financial statements (continued)

28 COMMITMENTS

28.1 Capital Commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows.

	2024	2023
Property, plant and equipment	6,789,677	4,395,675

There were no other material capital commitments outstanding at the reporting date which require disclosure in the financial statements.

29 CONTINGENT LIABILITIES

Bank guarantee and letter of credits as at 31 December 2024 is Nil- (as at 31 December 2023 :Nil/-)

There are no other contingent liabilities outstanding as at the reporting date, which require disclosure in

30 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(i) Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, the Company's management of capital. Further, quantitative disclosures are included throughout the Company's financial statements.

(ii) Risk management framework

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

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instruments fails to meet its contractual obligations, and arises principally from the the Company's receivables from customers, investment in debt securities and deposits with banks.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
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Notes to the financial statements (continued)

For the year ended 31st December

30 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(iii) Credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum gross exposure to credit risk at the reporting date was:

	Gross carrying amount	
	31/12/2024	31/12/2023
	MVR	MVR
Trade receivables and other receivable	303,596,277	367,299,632
Balances with banks	22,120,064	15,042,743
	<u>325,716,341</u>	<u>382,342,375</u>

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk geographically.

Expected credit loss assessment

The Company uses an allowance matrix to measure the ECLs of trade receivable. Loss rates are based on actual credit loss experience over past years. These rates are multiplied by scalar factors to reflect difference between economic condition during the period over which historical data has been collected, current condition and company's view of economic condition of expected lives of the receivables.

Scalar factors are based on actual and forecast GDP growth rates and normalized average GDP use for ECL assessment.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

Probability of default (PD)

Loss given default (LGD)

Exposure at default (EAD)

The following table provides information about exposure to credit risk and ECLs for trade receivables as at 31st December 2024.

31st December 2024	Weighted average loss rate	Gross carrying amount	Loss allowance
		MVR	MVR
1-30 days past due	1.1%	63,826,908	718,801
31-60 days past due	2.3%	8,516,524	198,748
61-90 days past due	12.8%	8,613,655	1,105,323
91-180 days past due	29.9%	10,641,659	3,180,099
181-360 days past due	32.0%	14,703,951	4,700,820
More than 360 days past due	100.0%	127,895,150	127,895,150
		<u>234,197,848</u>	<u>137,798,941</u>

The following table provides information about exposure to credit risk and ECLs for trade receivables as at 31st December 2023.

31st December 2023	Weighted average loss rate	Gross carrying amount	Loss allowance
		MVR	MVR
1-30 days past due	0.2%	88,361,432	183,322
31-60 days past due	1.0%	25,563,754	263,567
61-90 days past due	3.4%	8,191,531	280,283
91-180 days past due	3.4%	1,942,453	65,395
181-360 days past due	13.3%	30,129,363	4,019,660
More than 360 days past due	100.0%	131,179,753	131,179,753
		<u>285,368,285</u>	<u>135,991,980</u>



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
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Notes to the financial statements (continued)

For the year ended 31st December

30 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(iii) Credit risk (continued)

Measurement of ECL (continued)

Gross carrying amount and loss allowance are related to the trade receivables.

The Company believes that the unimpaired amounts are still collectible, based on historic payment behavior. Based on historic default rates, the Company believes that, apart from the above, no provision for impairment is necessary in respect of trade receivables.

Movements in allowance for impairment in respect of trade receivables

The movements of allowance for impairment in respect of trade receivable and contract assets during the year is presented in Note 17.2 to the financial statements.

Balances with Banks

The Company held an amounts of MVR 22,120,064/- as at 31st December 2024 in banks. (2023- MVR 15,042,743/-).

(iv) Liquidity risk

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

The followings are the contractual maturities of financial liabilities as at the reporting date.

31st December 2024	Carrying amount	Contractual cash flows	0-12 Months	1-2 Years	2-5 Years	More than 5 Years
Financial liabilities (Non-derivative)	MVR	MVR	MVR	MVR	MVR	MVR
Trade and other payables	213,320,184	213,320,184	213,320,184	-	-	-
Loans and borrowings	133,791,910	133,791,910	40,032,204	50,263,704	43,496,002	-
Lease liabilities	41,491,824	144,306,420	5,490,327	10,980,653	8,692,797	119,142,643
Amounts due to related parties	666,597,985	666,597,985	666,597,985	-	-	-
Bank overdrafts	618,501,537	618,501,537	618,501,537	-	-	-
Total	1,673,703,440	1,776,518,036	1,543,942,237	61,244,357	52,188,799	119,142,643
31st December 2023	Carrying amount	Contractual cash flows	0-12 Months	1-2 Years	2-5 Years	More than 5 Years
Financial liabilities (Non-derivative)	MVR	MVR	MVR	MVR	MVR	MVR
Trade and other payables	352,910,438	352,910,438	352,910,438	-	-	-
Loans and borrowings	105,654,653	105,654,653	14,484,192	50,263,704	40,906,757	-
Lease liabilities	42,504,135	151,149,275	5,583,927	11,167,853	14,463,924	119,933,571
Amounts due to related parties	566,452,149	566,452,149	566,452,149	-	-	-
Bank overdrafts	650,407,592	650,407,592	650,407,592	-	-	-
Total	1,717,928,967	1,826,574,107	1,589,838,298	61,431,557	55,370,681	119,933,571

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

(v) Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates and interest rates that affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December

30 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(a) Interest rate risk

Profile

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

	Carrying amount	
	31/12/2024	31/12/2023
	MVR	MVR
Fixed rate instruments		
Financial liabilities	752,293,447	756,062,246

(b) Currency risk

Exposure to currency risk

	31/12/2024	31/12/2023
	US\$	US\$
The Company's exposure to foreign currency risk was as follows based on notional amounts:		
Trade, amount due from related parties and other receivables	6,583,450	11,389,208
Trade, amount due to related parties and other payables	2,672,692	2,164,985
Bank overdrafts	-	-
Net currency exposure	9,256,141	13,554,193

The following significant exchange rate were applied during the year:

	Average rate		Reporting date spot rate	
	2024	2023	31/12/2024	31/12/2023
1 US\$: MVR	15.42	15.42	15.42	15.42

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

31 EVENTS AFTER THE REPORTING DATE

31.1 Pursuant to the letter from Ministry of Fisheries and Ocean Resources dated on 13 April 2025 (Letter Number – 30-G2/134/2025/11 -, The company has terminated land right of Funaddoo fisheries complex with effective from 20 April 2025.

31.2 Pursuant to the agreement signed between the Company and Fenaka Corporation Limited (Fenaka) dated 15th February 2025 and its subsequent amendments, the company has re-acquired 14 ice plants from the Fenaka Corporation Limited with effect from 15th February 2025. Accordingly, the Company has reacquired assets, resources, and liabilities of 14 ice plants operations from Fenaka. (Ice plant namely – Ha.Ihavadhoo, N.Lhohi, R.Alifushi, B.Thulhaadhoo, F.Nilandhoo, Th.Hirilandhoo, G,Dheevadhoo, Ga.Gemanafushi, Ga.Kolamaafushi, Ga.Dhaandhoo, Gdh.Faresmaathoda. Gdh.Fiyoaree, F.Feali & S.Hithadhoo Ice plants).

Other than above disclosed, no circumstances have arisen since reporting date which require adjustments to/or disclosure in the financial statements.

32 DIRECTORS' RESPONSIBILITY

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

33 GOING CONCERN

The Company's net loss for the year ended 31 December 2024 was MVR 165,152,072/- and the accumulated losses as at that date was MVR 1,036,111,660/-

Despite the accumulated losses and net liability position, the financial statements have been prepared on the basis of the Company being a going concern on the assurance provided by the Government of Maldives represented by the Ministry of Finance have confirmed that they will continue to provide necessary financial and other assistance to the Company to operate as a going concern in the future. The main shareholder of the Company has acknowledged that without such support, the Company may become insolvent and unable to meet its debts as and when they fall due and payable.

The Company being the largest entity which operates in one of the main industries in the Republic of Maldives with national and economic interest has also the support of the Government which had provided funds as borrowings to the Company and had also guaranteed some of the loans obtained by the Company. The government has also given subsidy during the year amounting MVR 404,356,780/- and the Company is hopeful of availing such subsidies in future.



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

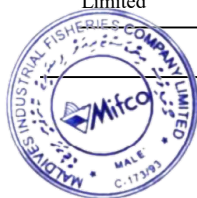
For the year ended 31st December

34 GOING CONCERN (CONTINUED)

The financial and other support from the Government of Maldives for at least one year from the date of these financial statements ensures the going concern status of the Company. In the absence of such support the Company may become insolvent and should management decide to liquidate the Company, provisions would have to be made to reduce the value of the assets to their estimated recoverable amounts, and for any further liabilities, that may arise in winding up. In addition, property, plant, equipment and long- term liabilities, will have to be reclassified as current assets and current liabilities.

34 RELATED PARTY TRANSACTIONS

Name of the related party	Relationship	Nature of the transaction	Amount		Balance outstanding due from / (to)	
			2024 MVR	2023 MVR	31/12/2024 MVR	31/12/2023 MVR
Ministry of Finance	Main Shareholder	Advance billed	-	8,840,445	14,838,564	13,333,332
		Advance received	20,897,239	(8,840,445)	(113,907,699)	
		Subsidy billed	404,356,780	229,166,663		
		Subsidy received	(389,518,216)	(215,833,331)		
		Sales of goods	-	7,604,167		
		Payment made	-	(7,604,167)		
State Trading Organization PLC	Affiliate	Sales of goods	(2,343,189)	10,170,617	(57,792,810)	(126,923,210)
		Purchase of goods	(10,500,678)	(8,938,304)		
		Payment made	36,963,040	946,461,671		
		Loan Novation	62,361,925	-		
		Land ownership transfer	-	255,206,400		
		Advance received	-	(47,756,881)		
		Set off balances	(2,030,315)	(113,720,893)		
		Interest on loans	-	(12,669,249)		
		Dollar sales	(15,420,000)	(942,424,140)		
		Shelf leasing commission	45,432	-		
		Advance rent	-	(11,963,681)		
		Shelf rent	54,185	(132,000)		
		Government Grant received	-	(20,833,333)		
Fuel Supplies Maldives Private Limited	Affiliate	Sales of goods Services	-	3,896,084	(492,736,314)	(438,764,868)
		Purchase of goods & Services	(295,413,538)	(466,382,428)		
		Set off balances	-	138,299,684		
		Settlements	241,442,092	397,772,788		
Maldivian Gas Private Limited	Affiliate	Purchase of goods	(1,361,624)	(1,253,385)	(107,760)	(143,540)
		Payment made	1,397,404	1,314,690		
		USD sales advance received				
Allied Insurance Company Maldives Private Limited	Affiliate	Purchase of goods	(2,360,648)	(4,169,030)	(942,416)	(494,859)
		Payment made	1,913,091	4,427,483		
		Sales of goods		21,021		
		Payments received		(21,021)		
Marine Maldives Products	Affiliate	Sales of goods	-	-	13,010,881	13,010,881
		Payment made	-	-		
Maldives State Shipping Private Limited	Affiliate	Service obtained		(1,558,363)	(1,110,986)	(125,672)
		Payment made		2,586,720		



MALDIVES INDUSTRIAL FISHERIES COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)

Notes to the financial statements (continued)

For the year ended 31st December

34 RELATED PARTY TRANSACTIONS (CONTINUED)

34.1 Transactions with Government of Maldives and government related entities

Transactions with the Government of Maldives included interest on borrowings. Transactions with the Government of Maldives during the year, and outstanding balance as at the year end are as follows:

	Amount		Balance outstanding due from / (to)	
	2024 MVR	2023 MVR	31/12/2024 MVR	31/12/2023 MVR
Interest on Borrowings	-	-	4,343,494	4,343,494
Loan receipt	50,000,000			
Novation of Loan	62,361,925			
Payments	-	(1,134,525)	-	-

34.2 Collectively, but not individually significant transactions

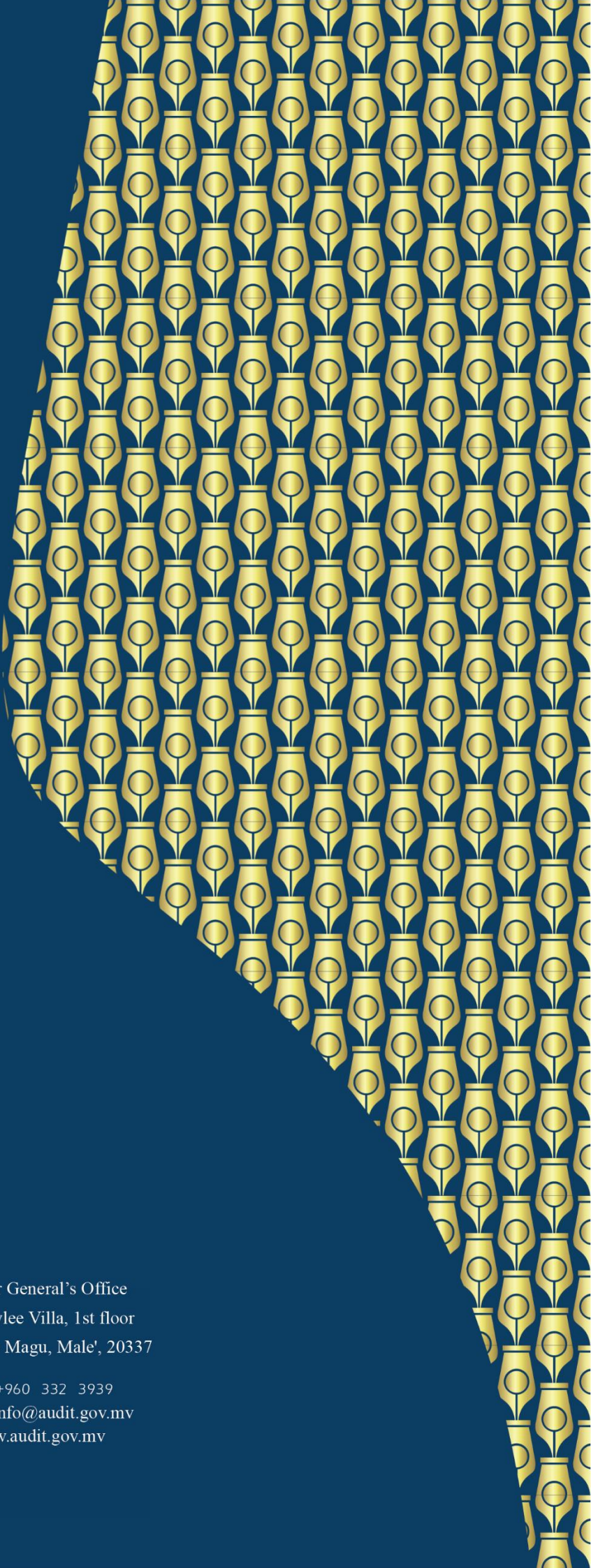
	Amount		Balance outstanding due from / (to)	
	2023 MVR	2023 MVR	31/12/2024 MVR	31/12/2023 MVR
Sales of goods	26,788,900	56,789,567		
Service obtained	4,455,899	1,234,234		
Receivable from government related entities	-	-	14,838,564	13,333,332
Payable to government related entities	-	-	-	-

34.3 Transactions with Key management personnel

The Board of Directors and Managing Director of the Company are the members of the key management personnel. Key management personnel compensation comprised the following.

	2024 MVR	2023 MVR
Directors' remuneration	519,174	504,491





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Maldives Industrial Fisheries Company Limited

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