

ANNUAL GENERAL MEETING (AGM) 2019

MINUTES

Venue: Microsoft Teams (Online),

Date: 1st November 2020 / Sunday

Time: 14:00

Attendees:

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| 1. Mohamed Azim | Chairman |
| 2. Salfiyya Anwar | Managing Director |
| 3. Ahmed Athif | Director |
| 4. Ahmed Musid | Director |
| 5. Hassan Safwan | Director |
| 6. Riyaz Mansoor | Director |
| 7. Ibrahim Nizam | Director |
| 8. Ahmed Ameen | Company Secretary |

Shareholder Representative from the Government of Maldives

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| 1. Hussain Hameem | Senior Policy Director /Ministry of Finance |
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Representatives from External Auditor

- | | |
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| 1. Ibrahim Fazeel | Director/Auditor General's Office |
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Invitees from FDC

- | | |
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| 1. Ali Jinah Shareef | Chief Financial Officer /FDC |
| 2. Aminath Nashwa Hameed | Chief of Operations / FDC |

Agenda

1. Inauguration by the Chairman
2. Presenting the Annual Report of FDC for 2019
3. Presenting and Approving the Audited Financials of FDC for 2019
4. Any other matters

The meeting was started by the Chairman Mohamed Azim at 14:00

1. Agenda item number 1: Inauguration by the Chairman

The Chairman of FDC inaugurated the meeting by welcoming all the participants and mentioned that this is the first Annual General Meeting of FDC to be held after its incorporation in March 2019.

He noted that Mr. Hussain Hameem, the Senior Policy Director of Ministry of Finance was participating in the AGM as a representative from the Shareholder (Government of Maldives) of FDC.

In addition, the Chairman also noted that Ibrahim Fazeel, the Director of Auditor General's Office was also participating in this meeting as a representative from the External Auditor.

Focusing on the works of FDC, Chairman stated that, this Corporation (FDC) which was established on 12th March 2020 by a Presidential Decree with the aim to provide affordable social housing, has carried out many works in 2019. In this regard, obtaining finance for housing projects, implementing social housing projects as per the Strategic Action Plan (SAP) of the Government. In addition, formulation of a structure of the corporation, hiring staff and formulation of policies for the operations of the corporation.

At the same time, he noted that the corporation entered into framework agreements in 2020, to commence actual project works in 2020, with potential contractors. And that the corporation has been working closely with the line ministries and other stakeholders.

Chairman concluded his statement by thanking the Board of Directors of FDC for their advice and support provided and also thanking the Managing Director and Staff of FDC for their role in carrying out the works of the Corporation.

2. Agenda item number 2: Presenting the Annual Report of FDC 2019

This Item was presented to the AGM through a pre-recorded Powerpoint Presentation.

After the presentation, the Chairman opened the floor for questions.

Hussain Hameem from Ministry of Finance, representing the Shareholder, enquired about the current status of the ongoing negotiations of the 4200 housing units mentioned during the presentation.

Salfiyya Anwar, the Managing Director of FDC mentioned that FDC received a term sheet for the 4200 units project, and the project was planned to be carried out with an SOE of India. However, during the final stage, the Contractor did not get an approval from Indian Government to enter into the EPC contract. Therefore, the project did not progress or materialise any further with that party. However, we are moving forward with other projects.

Hameem further enquired whether the 4200 housing units project will proceed or not, if it does how will it proceed.

MD mentioned that 4200 project will not proceed any further, however, FDC has other projects that are in various/different stages.

Fazeel from the Auditor General's Office made a comment with regard to fine tuning the report he mentioned that CG of PCB is applicable to the company. Just a thought to change it to CG code of PCB rather than CMDA code.

Chairman, stated that the corporation adopted the PCB Corporate Governance Code when it was introduced by PCB.

Fazeel enquired whether the MD is on the Audit Committee.

Chairman mentioned that MD is in the Remuneration Committee and not the Audit Committee.

3. Agenda item number 3: Presenting and Approving the Audited Financials of FDC for 2019

Ali Jinah Shareef, the Chief Financial Officer of FDC presented this item.

Jinah noted that the company was formed in 12th March 2019. And the Company's financials were prepared from 12th March 2019 to 31st December 2019. During this period, as highlighted in the annual report, major works carried out set up the company including office set up. Therefore, major expenses were spent for the office set up works.

We have received an unqualified opinion from the Auditor General's Office and that FDC's financial reports are presented in a true and fair view according to the IFRS standards.

As for the financials, FDC's Net loss was MVR3.1 million rufiyaa for this 2019, large portion of which was spent on office set up and payroll. And the Loss per share was 5.16.

Company has acquired non-current assets totalling MVR724,413 till year end. As highlighted in the report, 603,352 ordinary shares valued MVR6,043,520 were issued during the year. At the end of the year the company had MVR1,953,327 as cash balance, majority of which came from the Government as capital injections.

As for financial outlook and challenges, FDC will have to rely on government funding until Company starts earning from the projects. It is expected that FDC will start generating a revenue in 2023 considering that the social housing projects in progress will finish by then. Company is also seeking other avenues to generate revenue based on the mandate. FDC's one of the main objective is to establish revenue generating avenues.

Since FDC was established to carry out social housing projects, the biggest challenge faced by company is raising finance for key projects. In addition, economic downturn due to Covid has further added to this challenge and made it difficult to obtain finance.

Jinah noted that the financial Report was shared with all members in the meeting prior to the AGM.

Chairman opened the floor for questions.

Hameem noted that it was mentioned during the presentation that FDC will start generating revenue from 2023 and enquired whether FDC has any thought of generating revenue through any other means apart from Company's current products.

Jinah stated that, as mentioned during the presentation the Company is in discussions with the government to explore the options to generation revenue, available to FDC within the mandate.

Adding to that, Chairman highlighted that work is progress to transfer the housing units developed under the social housing projects and handed over to the Customers, to FDC. FDC will start generating revenue once that process is also complete.

Faxeel, stated that if a board member or a shareholder would like to ask a question about the audit report can answer.

He further noted that CG Code states to make a Governance Statement on how much the Company has complied to the CG code, if not complied to explain it. Enquired whether it is there, if not going forward to incorporate it.

Chairman mentioned that the suggestion will be reviewed.

4. Agenda item number 4: Any other matters

Chairman opened for any other matters.

Hameem noted that due to Covid situation everyone including home buyers (citizens) are in a difficult situation and what is FDC's plan to provide social housing at an affordable rate and at the same time generate a revenue for the Company.

MD mentioned that as per the FDC's matrix social housing has been divided into affordable housing and council housing. Council housing is provided to the neediest. It is fully or partially subsidized by the government. We plan to keep housing at an affordable range by keeping the EMI, monthly payment at a minimal. As for 2-bedroom units the highest EMI rate would be MVR9000 per month and for 3 bedrooms the highest EMI would be MVR13000 per month.

Compared to the market rate it is a very low rate. It includes the finance and other costs as well.

Chairman also added that the EMI has been determined after extensive discussions with the President's Office and Planning Ministry. The idea is to keep FDC products at an affordable range. Council housing is a new concept which is a temporary housing provided to most needy on low rental basis till their financial situation gets better.

MD further added that, FDC tries to keep the EMI as low as possible in a sustainable manner till the units are owned by its buyers.

Hameem, enquired about subsidization, whether FDC or Government subsidizing the EMIs.

MD mentioned that the EMI will be subsidised by the government.

Chairman concluded the meeting after thanking Mr. Hussain Hameem, the external auditor, the board directors and the Managing Director.

Meeting was concluded at 14:37

END