

ANNUAL GENERAL MEETING (AGM) 2020

MINUTES

Venue: Microsoft Teams (Online),

Date: 30th August 2021 / Monday

Time: 14:00

Attendees:

- | | |
|-------------------|-------------------|
| 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

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

- | | |
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| 1. Shirumeena Hussain | Assistant Auditor General |
| 2. Ibrahim Fazeel | Director/Auditor General's Office |

Invitees from FDC

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

Agenda

1. Inauguration by the Chairman
2. Approving the minutes of the AGM 2019 held on 1st November 2020
3. Presenting the Annual Report of FDC for 2020
4. Presenting and Approving the Audited Financials of FDC for 2020
5. 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.

Verbatim of the remarks in The Chairman's opening speech followed:

- Regardless of the impact of the pandemic in 2020, FDC made its best efforts to deliver an efficient service to the public.
- However, due to the pandemic and its impact around the globe, FDC's planned project schedules were affected and forced delays.
- Nevertheless, the tireless staff of the FDC negotiated with about 9 parties regarding the housing projects and were able to sign framework agreements and discussed project funding and negotiated EPC Contracts.
- In addition, improvement was done to the organizational and operational developments of FDC and The Chairman recognizes the Managing Director for her work and the tireless staff and the board of FDC for working every day to make FDC reach its goals.
- And the Chairman thanked the Government for its support throughout FDC's operations.
- As enacted in Government's housing policy, the board of FDC assures the government and people to support and work to fulfill the Government's pledges and the assigned mandate of FDC.

2. Agenda item number 2: Approving the minutes of the AGM 2019 held on 1st November 2020

No comments were made by the Shareholder and Directors to the minutes.

Minutes were approved as it was presented.

3. Agenda item number 3: Presenting the Annual Report of FDC 2020

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

Key highlights from the Annual Report included the following:

- There has been no change in the Board of Directors of FDC during the year 2020 which consisted of 7 members in accordance with the Articles of Association of the Corporation.
- Number of ordinary shares as of 31st December 2020 was at MVR1,276,695 and the ordinary share capital was MVR 12,766,950. The authorized share capital of FDC comprises 100 million shares of MVR 10.00 per share.
- The Corporation has closely followed the CG Code and worked to improve compliance by formulating and adopting relevant policies and procedures.
- The key objective of HR was to create an organizational structure that is suited to deliver the corporate mandate and formulate a competitive salary structure.
- The Board approved the corporate salary structure and the organizational chart on 1st March 2020.
- Average turnover for the year was 34%, resulting from termination/resignation of 4 employees.
- Total workforce included 16 staff which 44% were represented by female staff and the management consists of 8 members of which 50% were represented by female members.
- Despite the challenges and limited opportunities, FDC provided 3 training opportunities to the staffs which include, the Company Secretaries Training Programme, Finance for Non-finance managers, and Practical use of FIDIC conditions of contracts.
- Operational Highlights include, utilizing the USP Process of the government in collaboration and communication with the USP Secretariat, Ministry of Economic Development, Ministry of Finance, and Ministry of National Planning Housing and Infrastructure.
- Negotiations were undertaken for 8000 housing units with 4 proponents and successful negotiations were carried out with 1 party for the development of 2000 units in which the project was in the EPC negotiation stage by the end of the year.
- In response to the Covid-19, FDC's work was swiftly switched to working from home using existing online platforms and continued its operation without interruption. All meetings, negotiations, and discussions with key stake holders were held online.

- Key highlights of the Business Plan which was endorsed by the board on 15th November 2020 include, creating and retaining a stock of council housing and increasing the supply of affordable housing, introducing a mix of products and services including but not limited to housing subsidies and affordable housing finance instruments and development aid.
- FDC is heavily reliant on the USP Process for securing projects and on the sovereign guarantee to secure loans.
- Revenue generation is not expected for 2 years and no revenue was generated in the year 2020.
- FDC incurred a Net Loss of MVR 6.8 million. The government injected a total of MVR 6.7 million as capital to support administrative expenses.
- FDC engaged in negotiations with 10 contractors in which 5 contractors visited Maldives and 5 contractors submitted the term sheet.

No comments were made from Government and Board regarding the Annual Report.

4. Agenda item number 4: Presenting and Approving the Audited Financials of FDC for 2020

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

Key Highlights from the Audited Financials of FDC for 2020

- The Auditor of FDC was Auditor General's Office
- The Audit report finalized is an unqualified report which is free from material mistakes and was considered a good report.
- As mentioned earlier no incomes were generated in the year 2020. However, MVR 352,686 were received as other incomes by subleasing the office which was an 85% increment compared to the year 2019
- The Operating expense was increased by 115% compared to the year 2019 as FDC was operational for the full term of the year unlike the year 2019.
- It was recorded an MVR 103,694 as finance cost for the lease liability of FDC for the year 2020.
- FDC incurred a Net Loss of 120% compared to the year 2019 which is MVR 6.8 million.
- Highest amount of the operating cost spent was on Personnel Cost which is Salaries and Wages.
- Totals Assets of FDC were increased by 79% compared to the year 2019 which consists of 'Property, Plant & Equipment, Intangible Assets, and Rights of Use Assets and current assets of MVR. 1.9 million which mainly consists of cash injections from the government. Additionally, an Equity of MVR 2.7 million and total liabilities of MVR 2.5 million
- Looking into the Financial Outlook for the year 2021 to 2023, FDC expects to initiate generating revenue in mid of the year 2023.
- With revenue generation commencement, FDC can rely more on operational cashflows to meet daily operations.
- Presently 47.39% of FDC's assets are financed by debt and the Debt to Equity ratio stands at 90.07% and leverage ratios will become scientifically less favorable in the upcoming years.

No further comments were made from Government and Board regarding the Audited Financials and no motions was presented.

Meeting was concluded at 14:37

END