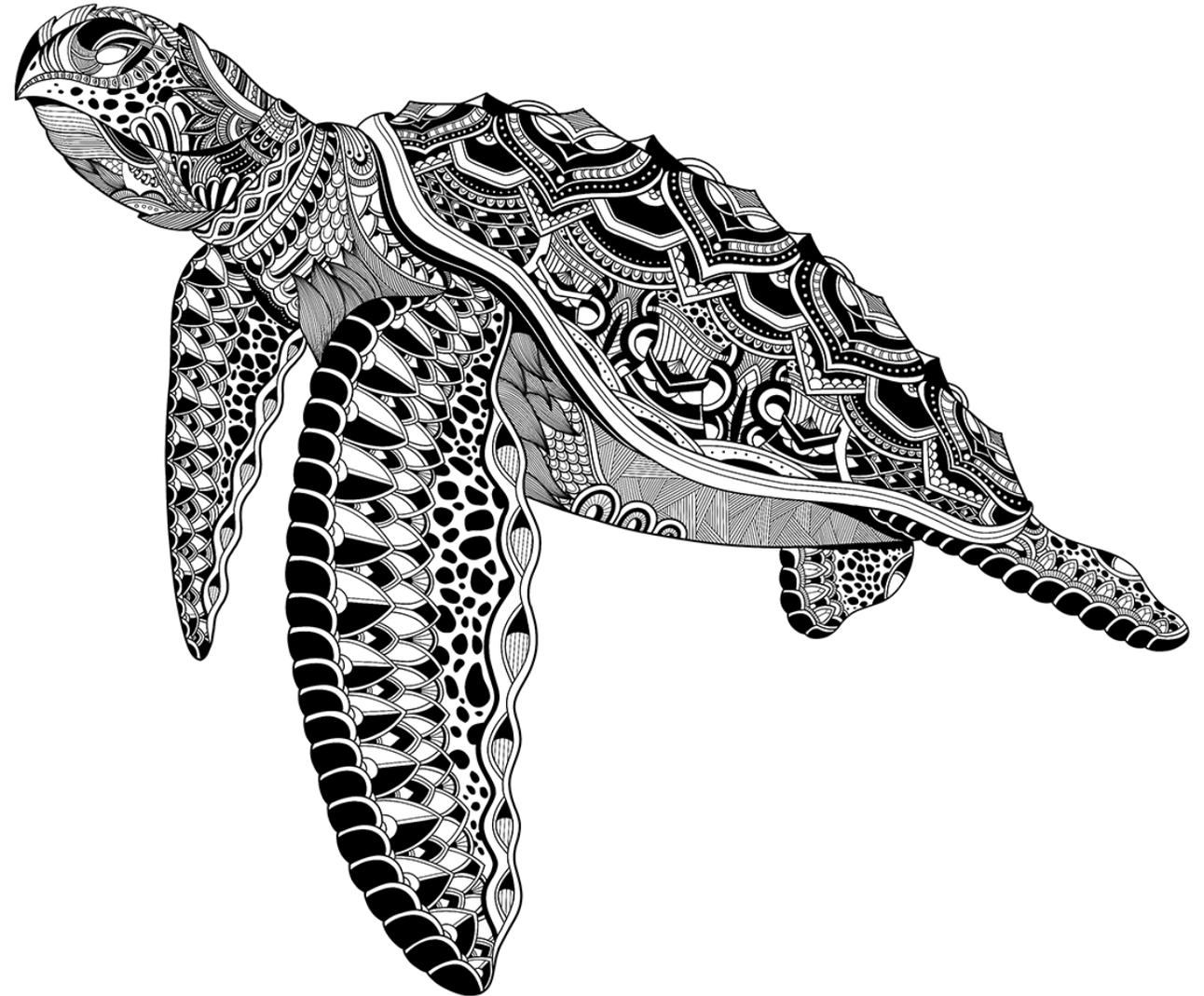


Quarterly Report

01-2021

State Trading Organization plc





This is the first quarter report of State Trading Organization plc. for the year 2021.

In compiling this report, STO has made its best efforts to adhere to the Listing Rules, the Corporate Governance Code of Capital Market Development Authority and the Securities (Continuing Disclosure Obligation of Issuers) Regulation 2019.

This report includes events for the period from 01st January 2021 to 31 March 2021.

This report was published on 30 April 2021.



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Vision

Enriching lives through expansion and accessibility

Values

Progressive

Respectful

Innovative

Accessible

Caring

Mission

Lead through expansion of existing businesses, diversification, exploring new possibilities and entering into new ventures.

Explore beyond our borders, expand our markets and establish ourselves as an international player, respected by the international business community.

Ensure accessibility with our presence nationwide; offer peace of mind and assurance to the public of uninterrupted provision and affordability of essential goods and services and those that contribute to a fulfilling modern lifestyle.

Build a skilled workforce by investing in human development; build our competencies, to achieve sustainable and unhindered growth and fulfil our vision.



Key Financial Figures

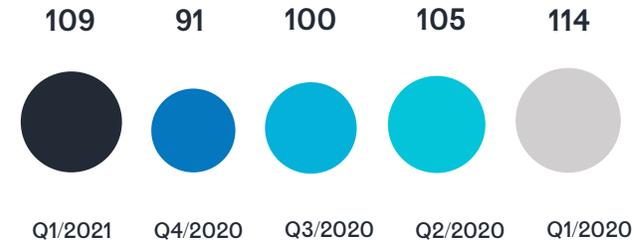
Total Revenue

In Millions, MVR



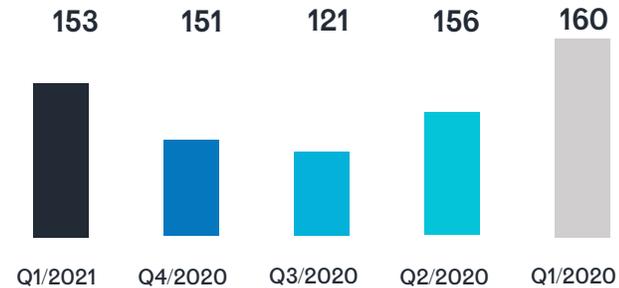
Net Profit

In Millions, MVR



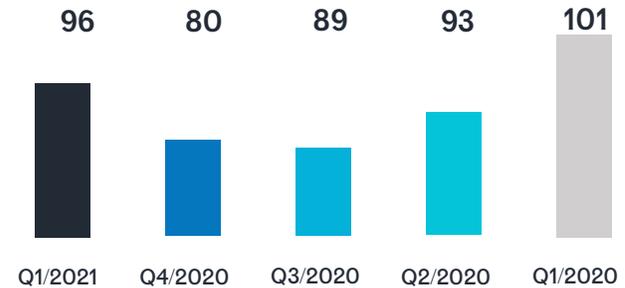
Operating Profit

In Millions, MVR



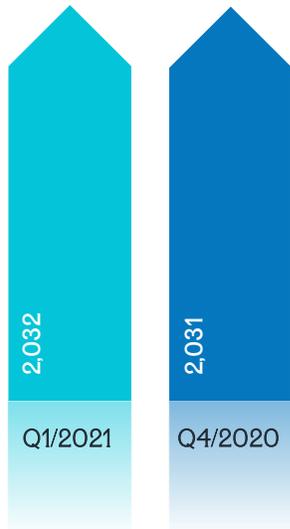
Earning per Share

In MVR

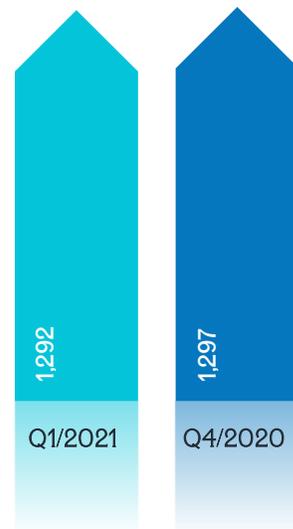


Our People, Our Pride

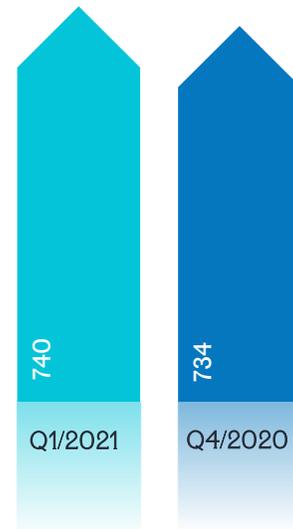
Total Employees



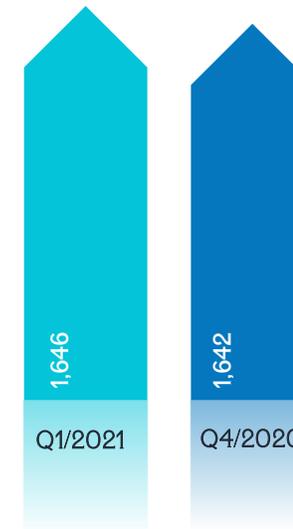
Male Employees



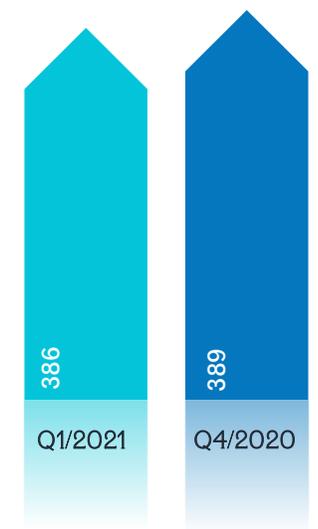
Female Employees



Local Employees



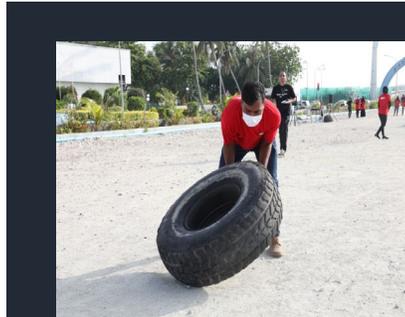
Foreign Employees



Corporate Events

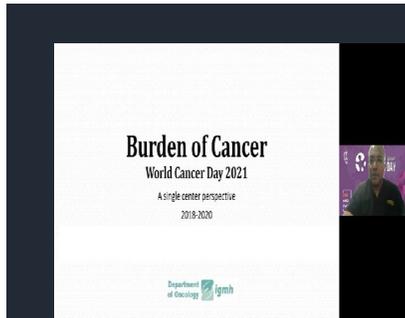
STO Decathlon 2021

On 22nd January, STO Recreation Club (STORC) organized its kickoff event, STO Decathlon 2021. Over 600 staff took part in this event.



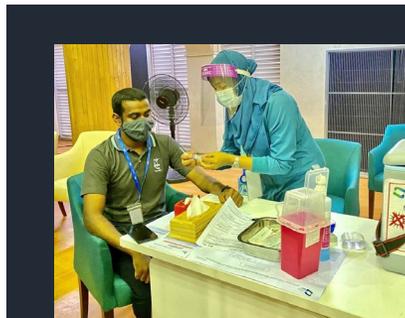
Celebrating World Cancer Day 2021

To mark World Cancer Day 2021 on 3rd February 2021, a virtual session on cancer awareness was held for STO Staff.



Vaccinating Front Liners

On 7th February 2021, STO's front line staff were vaccinated with their first dose of Covid-19 Vaccine.



MOU signing between STO and TVET Authority

On 16th February 2021, STO signed with TVET on conducting an apprenticeship program, where STO will sponsor 50 placements in electronics, retail services, automotive maintenance and IT.



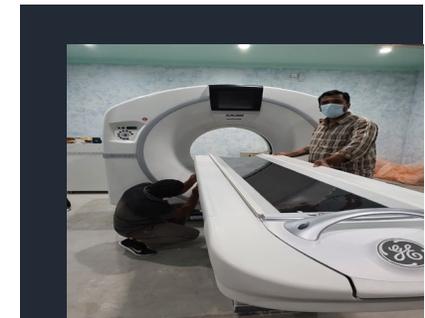
Supplying of 9000 CBM of RMC

On 17th March 2021, STO Construction Materials started supplying 9000 CBM of RMC for MTCC's project - Carriageway at K. Thilafushi Wamco Site.



Installation of CT Scan Machine at R. Ungoofaaru Regional Hospital

On 28th March 2021, in collaboration with GE Healthcare, STO installed a CT scan machine at R. Ungoofaaru Regional Hospital, under the Regional Hospitals Optimization Project, carried forward in partnership with Ministry of Health.



Corporate Social Responsibility

'Covid-19 Dhifaau' Campaign Donation

On 7th February 2021, STO donated medical consumables to 'Covid-19 Dhifaau' campaign. These medical consumables will aid in increasing the vaccination coverage within the nation.



Donation to Ga. Dheevadhoo Council

On 14th January 2021, STO donated to Ga. Dheevadhoo Council, essential items which was distributed to housing units under monitoring, due to Covid-19.



STO donated to Ministry of Gender and Social Services

On 11th February 2021, STO donated Ministry of Gender and Social Services with staple food which was distributed to families in need, who were living in Addu City.



Donation to Ha. Baarah Council

On 14th March 2021, STO donated to Ha. Baarah Council, essential food items which was distributed to housing units under monitoring due to Covid-19.



Marketing Events

STO Ramazan Bazaar 2021

The most awaited sale, STO Ramazan Bazaar commenced at STO Home Improvement and our Regional Outlets on 11th February 2021. This promotion offers attractive discounts and prizes to customers.



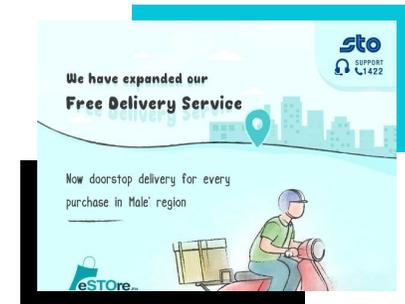
“Fini Fini” Hitachi Promotion

“Fini Fini” Hitachi AC promotion, offers customers with exciting prizes and attractive discounts. This promotion commenced on 1st March 2021 at STO Home Improvement.



Starting e-store delivery services

From 11th February 2021 onwards, eSTOre started its delivery services to every purchase made within Male' region.



Share Performance

	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Lowest Trading Price (MVR)	700	455	515	700	600
Highest Trading Price (MVR)	700	700	520	700	500
Last Trading Price (MVR)	700	455	520	700	510
No. of Trades	2	4	2	1	7
No. of Securities Traded	28	726	150	1	180
Value of Securities Traded	19,600	335,450	77,750	700	93,335
Weighted Average Trade Price (WATP)	700	462	518	700	518
Market Capitalization (MVR in millions)	789	513	586	789	610
Dividend Yield %	8	13	11	8	11
Earnings Per Share (EPS in MVR)	96	80	89	93	104
Price Earning Ratio	7.26	5.66	5.84	7.52	5.03

* Dividend yield has been calculated based on dividend value of MVR58.00, approved by the shareholders at the last Annual General Meeting.

** (Last Trade on 09/03/2021)

The Board of Directors

* AR – Audit and Risk Committee, CG – Corporate Governance and Compliance Committee, NR – Nomination and Remuneration Committee. Members were last appointed to committees on 15 September 2020.



Hamid Nasheed Mohamed
Chairman,
Non-Executive, Independent Director



Husen Amru Mohamed Rashad
Chief Executive Officer & Managing Director
Executive Director



Mohamed Nizam
Chief Financial Officer
Executive Director
(appointed on 18/03/2021)



Shimad Ibrahim
Non-Executive, Independent Director
Chairman of AR Committee
Member of CG Committee



Aminath Rushma
Non-Executive, Independent Director
Chairperson of CG Committee
Member of AR and NR Committee
(Director elected to represent public shareholders)



Ismail Zumayl Rasheed
Non-Executive, Independent Director
Chairman of NR Committee
Member of AR Committee



Gais Ismail
Non-Executive, Independent Director
Member of AR, CG and NR Committee

Board Committees

Audit & Risk Committee



Shimad Ibrahim
Chairman

Nomination & Remuneration Committee



Ismail Zumayl Rasheed
Chairman

Corporate Governance & Compliance Committee



Aminath Rushma
Chairperson



Aminath Rushma
Member



Ismail Zumayl Rasheed
Member



Gais Ismail
Member



Aminath Rushma
Member



Gais Ismail
Member



Shimad Ibrahim
Member



Gais Ismail
Member

Board Activities

The Articles of Association of STO specifies that the Board should comprise of seven directors. This include of five non-executive, independent members and two executive members.

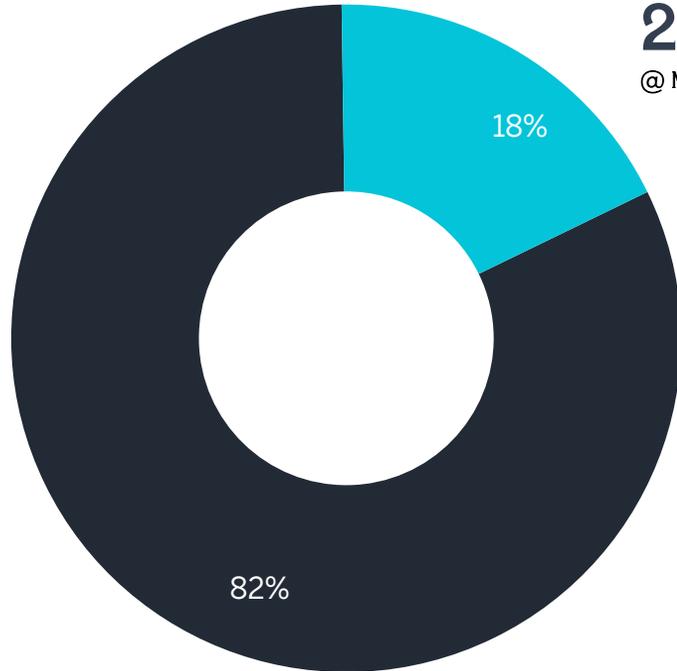
At the Annual General Meeting held on 30 August 2020, the Government appointed 6 members to the Board of Directors, while the public shareholders elected 1 member. Appointed directors and their positions are given on page 11. Executive Director Mohamed Mihad resigned from the Company and the Board on 30 November 2020. As such, the Board constituted of 6 Members until the new Chief Financial Officer Mohamed Nizam was appointed to Board on 18 March 2021.

Furthermore, there were no changes to the shareholding structure of the Company. As such the Government of Maldives represents 81.63% shares while the public represent 18.37% of shares in the Company. (Details on page 14)

There were no known material transactions with Directors, associates, substantial shareholders or associates, other than those conducted under ordinary course of business.



Shareholding Details



Public
207,041 shares
@ MVR50.00 each, amounts to MVR10,352,050

Government
919,869 shares
@ MVR50.00 each, amounts to MVR45,993,450

Authorized Capital	Paid up Capital	Premium
100,000,000	56,345,000	27,814,500

Major Board Decisions

- Changes were made to the Board of Directors of Subsidiaries
- Reviewed the decisions and discussions of 2020
- Reviewed the Guideline on Administration and Control of Group Companies
- Accepted the resignation of Chief Internal Auditor, Dr. Ibrahim Mahfooz and appointed Hawwa Nafia to the post
- Discussed on 2020 Financials
- Approved changes to Credit Policy and approved segmental credits for 2021
- Approved to streamline remuneration and implement by March 2021
- CEO Report of 2020 was presented to Board
- Internal Audit Report Implementation Status Report 2020 was presented to Board
- Approved to carry out studies on obtaining licenses for the Banking Project
- Approved to carry out studies for establishing a flour mill in Maldives
- A Board Evaluation Guideline and Procedure was developed and approved for STO Group
- Discussed on the Audit Report prepared by Auditor General's Office, and further discussed on how to improve the processes of STO to enhance efficiency and better governance
- Prioritized investments 2021-2023 and approved plans on allocating funding
- Revised Procurement Policy
- Approved Executive Charter
- Approved all documents regarding announcement for Directorship
- Approved Employee Compensation and Benefits Policy
- Discussed on Board Evaluation 2020 results

Board and Board Committee Attendance

	Board Meeting	Audit and Risk Committee	Nomination and Remuneration Committee	Corporate Governance and Compliance Committee
Hamid Nasheed Mohamed Chairman	5/5			
Husen Amru Mohamed Rashad CEO/MD	5/5			
Mohamed Nizam CFO/Executive Director Board Director from 18/03/2021	Joined Board on 18/03/2021. There were no meetings held in March, after his appointment.			
Shimad Ibrahim Board Member Chairman of AR Committee Member of CG Committee	5/5	3/3		1/1
Gais Ismail Board Member Member of NR committee Member of CG Committee Member of AR Committee	5/5	3/3	1/1	
Ismail Zumayl Rasheed Board Member Chairman of NR Committee Member of AR Committee	5/5	3/3	1/1	1/1
Aminath Rushma Board Member Chairperson of CG Committee Member of AR Committee Member of NR Committee	5/5	3/3	1/1	1/1



Compliance

Compliance to Corporate Governance

STO's Board of Directors and Management strongly support the principles of good corporate governance and are committed to embed such principles into the operations and management of STO and its Group.

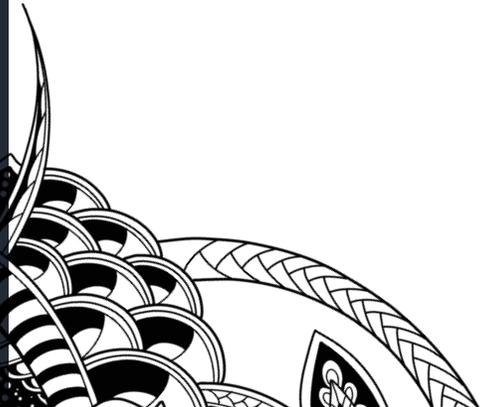
STO believes that the governance arrangements adopted by STO Group are reflective of a high performing, well governed organization. These arrangements enable the Board and Management to make well informed decisions, provide appropriate accountability and transparency, and establish the proper culture and behaviors. STO also believes that leading governance practices is essential for the long-term sustainability of our businesses.

The Board regularly reviews the Company's corporate governance framework, policies and practices to ensure at a minimum that they meet the expectations of our shareholders and evolve in line with the Corporate Governance Code of Capital Market Development Authority and our own internal processes and practices.

Reporting Compliance

This report has been prepared in compliance with the Capital Market Development Authority's Minimum Criteria for Periodic Reporting for Listed Companies.

There were no fines due on Company with regard to any regulations, during the Quarter.



Financial Highlights of this Quarter

Total Revenue

2,156

(in millions) MVR
Q4/2020 MVR1,873m

Total Expenses

231

(in millions) MVR
Q4/2020 MVR258m

Net Profit

109

(in millions) MVR
Q4/2020 MVR91m

Earning per Share

96

in MVR
Q4/2020 MVR80

Net Asset per Share

2,357

In MVR
Q4/2020 MVR2,276

Cash Flow per Share

13

(in millions) MVR
Q4/2020 MVR(133)

Asset Cover Available

2.03

Q4/2020 2.23

Debt Equity Ratio

1.65

Q4/2020 1.61

Debt Service Cover Ratio

0.26

Q4/2020 1.02

Interest Service Cover Ratio

6.11

Q4/2020 4.25

Reserves

2,572

(in millions) MVR
Q4/2020 MVR2,480m

Net Worth

2,656

(in millions) MVR
Q4/2020 MVR2,565m

Debt Securities

	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Previous due date for the payment of interest/dividend	28.02.2021	30.11.2020	31.08.2020	31.05.2020	29.02.2020
Repayment of principal	22,838,522	22,542,650	22,250,610	21,962,355	21,677,833
Interest	3,522,446	3,818,318	4,110,357	4,398,613	4,683,135
The amounts and where the same has been paid or not	Paid	Paid	Paid	Paid	Paid
Next due date for the payment of interest/dividend	31.05.2021	28.02.2021	30.11.2020	31.08.2020	31.05.2020
The extent and nature of collateral created and maintained with respect of principal	Sovereign guarantee				
Breach of any covenants under the terms of debt securities	No	No	No	No	No



Income Statement

	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Fuel Revenue	1,448,672,945	972,092,817	818,626,012	629,287,318	1,718,104,140
Non-Fuel Revenue	706,973,700	900,449,815	727,025,764	669,907,815	773,492,915
Total Revenue	2,155,646,645	1,872,542,632	1,545,651,776	1,299,195,133	2,491,597,055
Cost of Sales	(1,786,719,175)	(1,494,060,523)	(1,203,026,825)	(953,801,401)	(2,134,037,047)
Gross Profit	368,927,470	378,482,109	342,624,951	345,393,733	357,560,008
Other Operating Income	14,720,357	30,062,417	12,793,939	10,383,332	13,121,125
	383,647,827	408,544,526	355,418,890	355,777,065	370,681,133
Selling and Marketing Costs	(52,447,698)	(83,987,449)	(76,515,994)	(42,203,289)	(48,337,885)
Administrative Costs	(176,813,142)	(171,770,022)	(158,255,640)	(157,051,425)	(161,969,950)
Other Operating Expenses	(1,593,725)	(1,842,939)	(28,969)	(291,168)	(547,950)
Operating Profit	152,793,261	150,944,116	120,618,286	156,231,183	159,825,347
Finance Costs	(22,889,295)	(35,455,514)	(861,743)	(29,604,302)	(21,572,426)
Profit Before Tax	129,903,967	115,488,602	119,756,543	126,626,881	138,252,921
Business Profit Tax Expense	(21,303,714)	(24,873,270)	(19,494,805)	(21,702,656)	(24,060,449)
Profit After Tax	108,600,253	90,615,332	100,261,738	104,924,225	114,192,472
Attributable to					
Equity Holders of the Parent	108,600,253	90,615,332	100,261,738	104,924,225	114,192,472
Non-Controlling Interest					
Earnings per share Attributable to Equity holders of the Parent	96	80	89	93	101

Balance Sheet

	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
ASSETS					
NON-CURRENT ASSETS					
Property Plant and Equipment	1,752,774,065	1,757,883,151	1,798,899,532	1,814,412,453	1,813,319,242
Investment in Subsidiaries	157,107,425	122,639,380	104,944,380	104,944,380	104,944,380
Investment in Associates	10,567,267	10,567,267	10,567,267	10,567,267	10,567,267
Investment in Joint Venture	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000
Available-for-sale Financial Assets	2,240,800	2,240,800	2,240,800	2,240,800	2,240,800
Investments	5,583,333	7,528,197	5,675,926	7,346,463	9,038,454
Deferred Tax Asset	80,207,242	80,207,242	80,207,242	80,207,242	103,024,421
Right-of-use Assets	164,879,935	154,232,501	154,232,501	154,232,501	154,232,501
Total Non-Current Assets	2,178,060,067	2,139,998,538	2,161,467,648	2,178,651,105	2,202,067,065
CURRENT ASSETS					
Inventories	893,111,984	985,795,528	1,050,440,791	865,838,467	766,197,008
Trade and Other Receivables	3,473,940,890	3,169,133,740	2,953,893,063	3,133,203,701	2,865,914,751
Cash and Cash Equivalents	493,412,942	386,546,500	250,396,466	201,462,498	50,884,554
Total Current Assets	4,860,465,817	4,541,475,768	4,254,730,319	4,200,504,665	3,682,996,313
Total Assets	7,038,525,884	6,681,474,306	6,416,197,967	6,379,155,771	5,885,063,378
EQUITY					
Share Capital	56,345,500	56,345,500	56,345,500	56,345,500	56,345,500
Share Premium	27,814,500	27,814,500	27,814,500	27,814,500	27,814,500
General Reserve	843,917,040	822,196,990	804,073,923	784,021,576	763,036,730
Retained Earnings	1,727,822,715	1,658,288,155	1,585,795,889	1,570,947,278	1,492,211,447
Total Equity	2,655,899,755	2,564,645,144	2,474,029,812	2,439,128,854	2,339,408,178

Balance Sheet continued..

	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
LIABILITIES					
NON-CURRENT LIABILITIES					
Loans and Borrowings	131,161,034	155,538,197	184,225,554	210,288,198	259,181,443
Current Liabilities					
Current Tax Liabilities	46,912,318	57,148,253	32,274,983	67,338,005	45,640,848
Lease Liabilities	179,373,306	159,087,803	159,087,803	159,087,803	159,087,803
Trade and Other Payables	1,653,826,670	1,883,964,969	2,021,536,121	1,860,471,936	1,094,527,692
Borrowings	2,371,352,800	1,861,089,940	1,545,043,694	1,642,840,975	1,987,217,415
Total Current Liabilities	4,251,465,095	3,961,290,965	3,757,942,601	3,729,738,719	3,286,473,758
Total Liabilities	4,382,626,129	4,116,829,162	3,942,168,155	3,940,026,917	3,545,655,200
Total Equity and Liabilities	7,038,525,884	6,681,474,306	6,416,197,967	6,379,155,771	5,885,063,378



Mohamed Nizam
Chief Financial Officer



Husen Amru Mohamed Rashad
Chief Executive Officer & Managing Director



Shimad Ibrahim
Chairman of AR Committee

Cash flow Statement

	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Profit before business profit tax	129,903,967	115,488,602	119,756,543	126,626,881	138,252,921
Adjustments for:					
- Depreciation & amortization	25,140,379	30,992,948	29,226,790	28,974,541	28,626,705
- Interest income	(1,137,384)	(680,352)	(665,336)	(751,013)	(841,285)
- Interest expense	25,016,443	35,526,294	31,091,866	30,486,302	31,210,455
- Dividend income			(29,900,867)	-	(8,000,000)
- Provision for impairment of receivables	3,384,557	27,716,377	26,618,540	6,107,272	4,315,687
- Provision for impairment of assets		12,233,788			
- Provision for slow and nonmoving inventories	4,865,681	(549,667)	5,746,326	4,192,025	1,191,544
- Profit on disposal of property, plant and equipment	(23,625)	(17,691,158)			(124,240)
Changes in working capital:					
- Inventories	80,169,867	65,194,929	(190,348,650)	(103,833,484)	150,683,789
- Trade and other receivables	(60,185,424)	(244,809,325)	154,362,635	(227,704,231)	55,076,128
- Trade and other payables	(135,521,601)	(137,309,981)	106,044,522	718,858,609	(345,403,905)
	71,612,859	(113,887,544)	251,932,369	582,956,903	54,987,800
Cash flows from operating activities					
Interest paid	(25,016,443)	(35,526,294)	(31,091,866)	(30,486,302)	(31,210,455)
Business profit tax paid	(31,539,649)		(54,557,827)	-	(21,500,964)
<i>Net cash generated from / (used in) operating activities</i>	15,056,767	(149,413,839)	166,282,677	552,470,600	2,276,381

Cash flow Statement continued..

	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Cash flows from investing activities					
Purchases of property, plant and equipment - net	(8,437,587)	15,480,803	(13,713,870)	(9,373,985)	(21,074,465)
Sales / (purchases) of available-for-sale financial assets		(17,695,000)			-
Interest received	(159,571,562)	680,352	665,336	751,013	841,285
Dividends received	1,137,384		29,900,867		8,000,000
Net cash generated from / (used in) investing activities	(166,871,765)	(1,533,845)	16,852,333	(8,622,972)	(12,233,180)
Cash flows from financing activities					
Net proceeds from / (repayment of) borrowings	99,192,738	287,358,889	(123,859,925)	(393,269,684)	(51,209,811)
Dividends paid to shareholders	(88,387)	(261,171)	(10,341,117)		(198,428)
Net cash generated from / (used in) financing activities	99,104,351	287,097,718	(134,201,042)	(393,269,684)	(51,408,239)
Net increase / (decrease) in cash and cash equivalents	(52,710,647)	136,150,034	48,933,968	150,577,944	(61,365,038)
Cash, cash equivalents and bank overdrafts at beginning of the quarter		250,396,466	201,462,498	50,884,554	
Adjusted cash, cash equivalents and bank overdrafts at beginning of the quarter	386,552,028				112,249,592
Cash, cash equivalents and bank overdrafts at end of the quarter	333,841,381	386,546,500	250,396,466	201,462,498	50,884,554

Statement of Equity

	Share Capital	Share Premium	General Reserve	Retained Earnings	Total
Adjusted balances as at 1st January 2020	56,345,500	27,814,500	740,198,236	1,395,653,921	2,220,012,157
Profit for the year	-	-	-	114,192,472	114,192,472
Transfer to general reserve	-	-	22,838,494	(22,838,494)	-
Balance as at 31st March 2020	56,345,500	27,814,500	763,036,730	1,487,007,898	2,334,204,629
Adjusted balances as at 1st April 2020	56,345,500	27,814,500	763,036,730	1,487,007,898	2,334,204,629
Profit for the year	-	-	-	104,924,225	104,924,225
Transfer to general reserve	-	-	20,984,845	(20,984,845)	-
Balance as at 30th June 2020	56,345,500	27,814,500	784,021,576	1,570,947,278	2,439,128,854
Balances as at 1st July 2020	56,345,500	27,814,500	784,021,576	1,570,947,278	2,439,128,854
Profit for the year	-	-	-	100,261,738	100,261,738
Transfer to general reserve	-	-	20,052,348	(20,052,348)	-
Dividends	-	-	-	(65,360,780)	(65,360,780)
Balance as at 30th September 2020	56,345,500	27,814,500	804,073,923	1,585,795,889	2,474,029,812
Balances as at 1st October 2020	56,345,500	27,814,500	804,073,923	1,585,795,889	2,474,029,812
Profit for the year	-	-	-	90,615,332	90,615,332
Remeasurement of retirement benefit liability (OCI)	-	-	-	-	-
Transfer to general reserve	-	-	18,123,066	(18,123,066)	-
Dividends	-	-	-	-	-
Balance as at 31st December 2020	56,345,500	27,814,500	822,196,990	1,658,288,154	2,564,645,144
Impact on reported profit due to audit adjustments	-	-	-	(17,345,642)	(17,345,642)
Adjusted balances as at 1st January 2021	56,345,500	27,814,500	822,196,990	1,640,942,513	2,547,299,503
Profit for the year	-	-	-	108,600,253	108,600,253
Transfer to general reserve	-	-	21,720,051	(21,720,051)	-
Dividends	-	-	-	-	-
Balance as at 31st March 2021	56,345,500	27,814,500	843,917,040	1,727,822,715	2,655,899,755

Name of Company

State Trading Organization plc
Company Registration Number C-186/2001

Legal form

A Public Listed Company with limited liability. Initially incorporated as a Government Company, Athireemaafannu Trading Account (ATA) on 20th December 1964. Renamed as State Trading Organization on 9th June 1979. Changed to a public listed company on 14th August 2001.

Stock exchange listing

Ordinary shares of the Company are listed at the Maldives Stock Exchange Company Pvt. Ltd.

Registered address

State Trading Organization plc.
Kan'baa Aisa Rani Hingun,
Maafannu,
Malé 20345
Republic of Maldives
Call Centre: 1422
Email: info@stomaldives.net
Website: sto.mv



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Thank you to all our employees, customers, shareholders, suppliers and other stakeholders.

We are proud to be working with you to support and build a more sustainable Community.

Together, lets continue to enhance our lives.



The ideal trade leader in Maldives, contributing to the Health Industry, Consumer Market, Construction Materials Industry, Fuel and logistics Industry, Insurance Industry, Cooking and Medical Gas Industry and the manufacturing of Fish and its by-products Industry. Present across the Country with more than 4,000 employees and serving over 250,000 customers, the Company is standing strong, since 1964.