

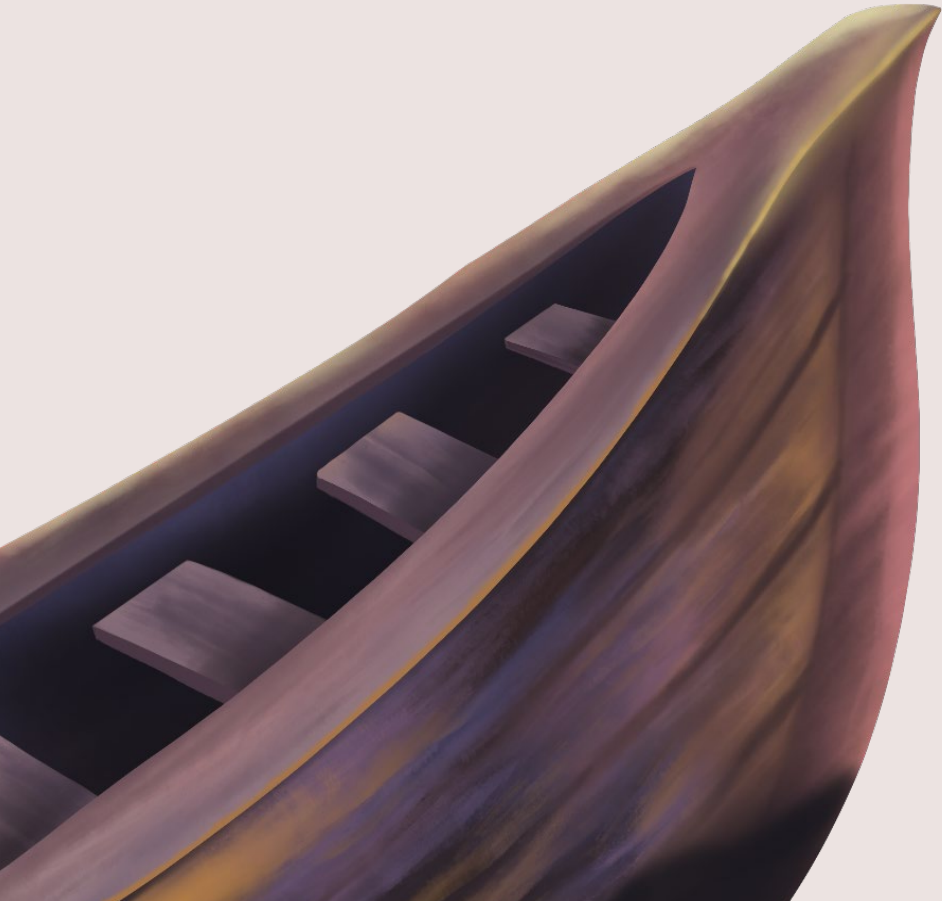
# Quarterly Report

Q2-2022



State Trading Organization plc





This is the second quarter report of State Trading Organization plc. (STO) for the year 2022.

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 01<sup>st</sup> April 2022 to 30<sup>th</sup> June 2022.

This report was published on 30<sup>th</sup> July 2022

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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.

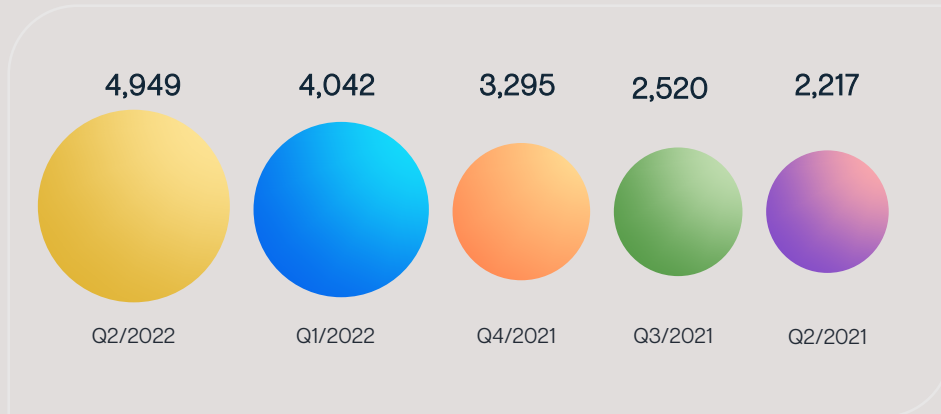
Ensure accessibility with our presence nationwide; offer peace of mind and assurance to the public of uninterrupted provision and affordability of essential goods and services and those that contribute to a fulfilling modern lifestyle.

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

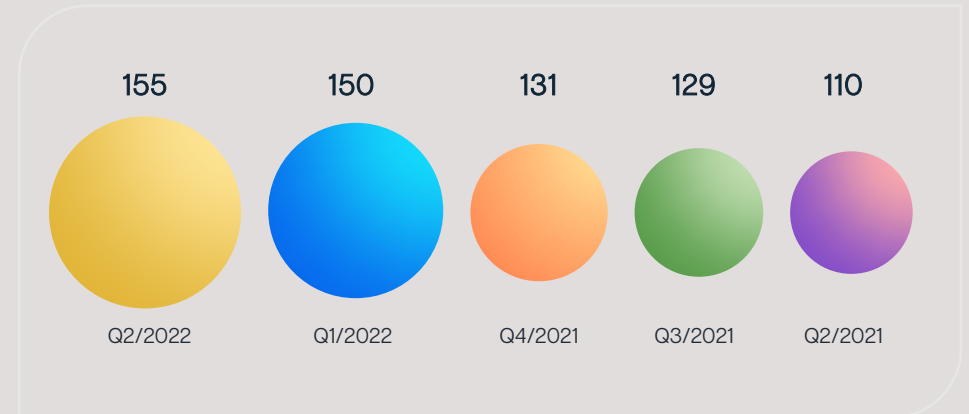
## Total Revenue

In Millions, MVR



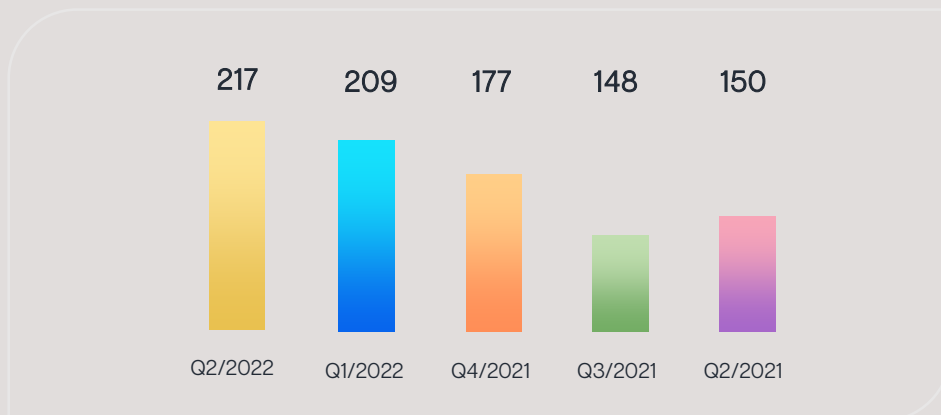
## Net Profit

In Millions, MVR



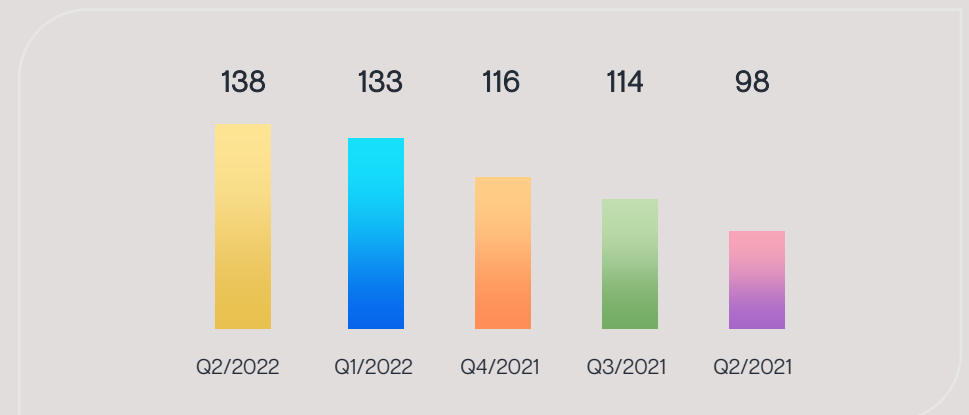
## Operating Profit

In Millions, MVR



## Earning per Share

In MVR



# Our People, Our Pride



# Corporate Events

## **“Aa Adhabee Bas” Social Media Campaign**

“Aa Adhabee Bas” Social media campaign launched on 1st April 2022 was aimed to encourage and promote use of Dhivehi literature, specially among the young generation.

## **Majeedee Run**

It was a privilege to collaborate with Majeedhiyya School - the first Government school in the Maldives -, as the main sponsor of 'Majeedhee Run', held on the occasion of its 95th Anniversary.

## **Children’s Day 2022**

We celebrated Children’s Day 2022 by holding a children's evening at STO People's Choice, with fun activities.

## **LOU signing ceremony with Senahiya Military Hospital and Hulhumale Hospital**

A LOU was signed with Senehiya Military Hospital and Hulhumale Hospital, agreeing to carry out internship trainings for the participants of STO introduced scholarship program on “Diploma in Radiography”. This program is carried out in collaboration with GE Healthcare, with the aim to develop local talent in the field of Radiology.

## **Opening of Makita Showroom**

STO Makita Showroom was opened on 27th June 2022. This showroom is specialized for Makita Tools and its after sales services.

## **Annual General Meeting 2021**

The AGM 2021 was held at Marina Crossroads on 30<sup>th</sup> May 2022. A total of 782 shareholders participated in the meeting, in person, through proxy and online.

## **“Ufanvaa Konme Kujjakah Hadhiya eh”**

Becoming a parent is the most important day for a family. To celebrate with them on this special day, STO began gifting every newborn baby in the Country, with a gift hamper of first care essential items for both the baby and the mother.

## **Readymix Concrete to Thilamale’ Bridge Project**

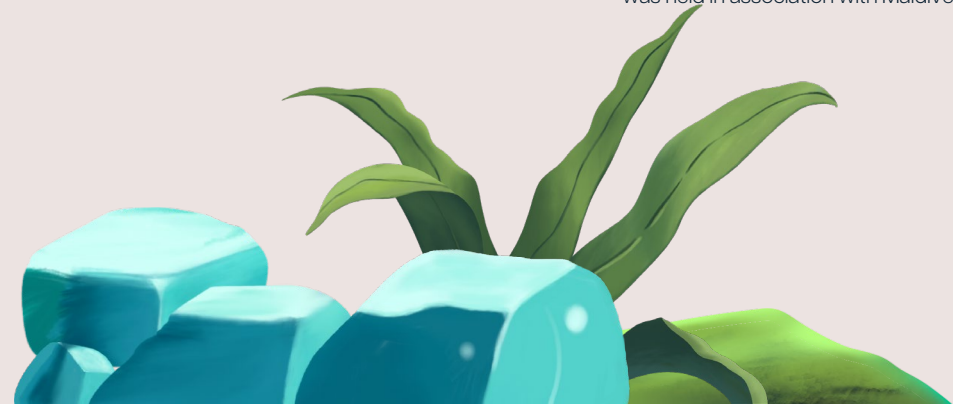
Agreement signing ceremony was held on 12th May 2022 between STO and AFCONS for the supply of Readymix Concrete to Thilamale’ Bridge project.

## **Completion of Ambulance handover project**

The official handover ceremony of Ambulances procured under the MOU signed with Ministry of Health was held on 26th April 2022. A total of 96 ambulances were handed over under this project.

## **International Seafarers Day 2022**

With an aim to enlighten young generation on the maritime field, a Panel Discussion on the theme - “Career in Maritime” was held. The Panel members consisted of maritime experts with over 15 years of experience. Students of grade 11 & 12 of 3 different schools visited to observe and participate in the discussions. This event was held in association with Maldives State Shipping.



# CSR Events

## World Autism Awareness Day

STO Head Office building was lit up in blue to show our support in creating awareness about Autism. World Autism Awareness Day is celebrated on 2nd April every year.

## Participating in “Hakathari” program of Ministry of Environment, Climate Change and Technology

STO became the first company to participate in the “Hakathari” program; energy efficiency labelling, initiated by the Ministry of Environment, Climate Change and Technology on 19th May 2022, where STO received energy efficiency rankings for some of the products offered.

## “Plastic Noon Gotheh’ Campaign

On 26th April 2022, STO in collaboration with MACCS started the “Plastic Noon Gotheh” Campaign which advocates for the use of alternatives to single-use plastic bags in the community.

## Donation of Paint to Fiyavathi

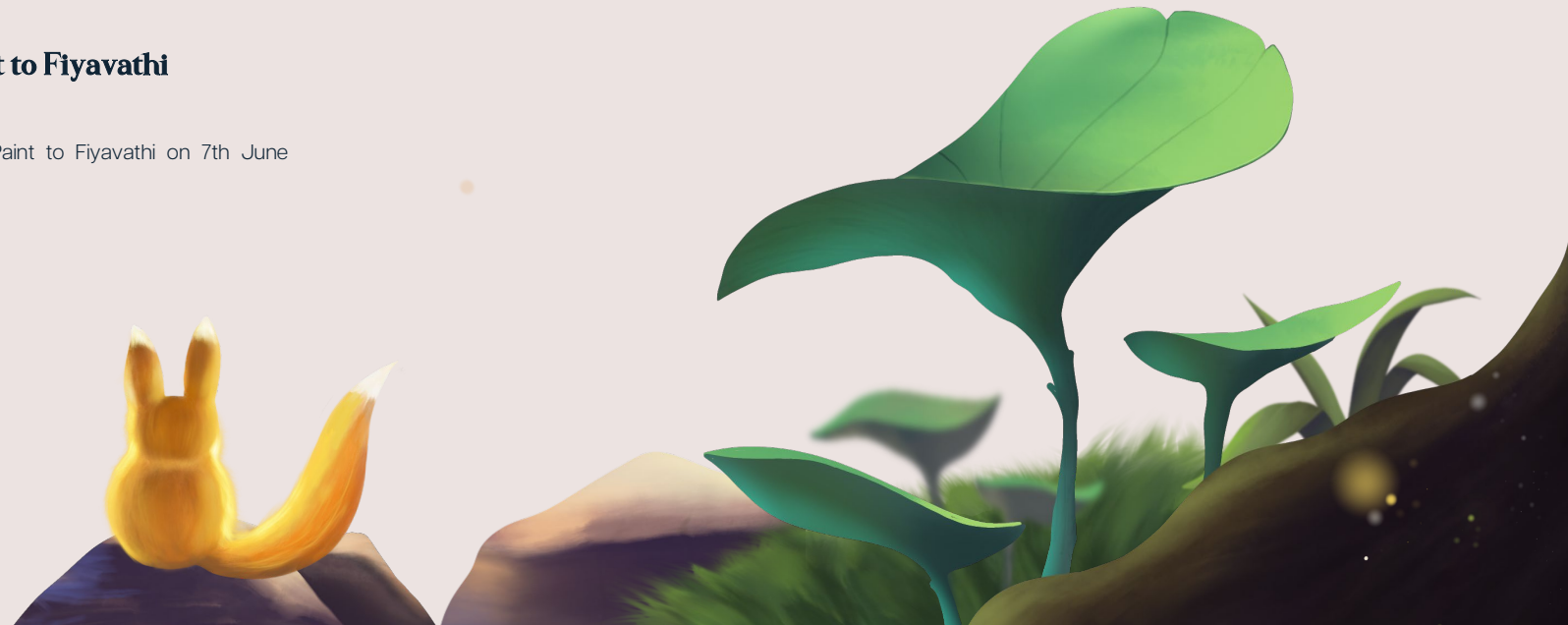
STO donated Nippon Paint to Fiyavathi on 7th June 2022.

## ’Thuhthu Dharifulhu” book

“Thuhthu Dharifulhu”; a special book curated for new parents was launched on 9th June 2022. The book highlights on the first 100 days of newborns with medically sound information to provide guidance to the new parents.

## Donation of Vaccines to Fiyavathi

STO donated the 2nd dose of Influenza and Chickenpox Vaccines to Fiyavathi on 15th May 2022.





# Marketing Events

## **STO signed as a co-sponsor of F&B Show**

On 3rd April 2022, STO signed as a co-sponsor of the 5th Food and Beverage Show. Our finest brands were showcased at the show.

## **“Kruger Challenge“ Promotion**

“Kruger Challenge” Promotion commenced on 19th May 2022 at STO People’s Choice.

## **“Tea talk with Zinan”**

On 26th May 2022, STO celebrated International Tea Day at STO People’s Choice, where Fitness Coach, Mr. Hussain Zinan, interacted with our customers through a wellness talk.

## **Launching of Credit Scheme via Leasing Partners**

On 1st June 2022, an easy credit payment scheme was launched for the convenience of STO Peoples Choice customers, on the products offered by the Leasing Partners operating in the store.

## **Launching of “Russel Hobbs” Brand Products**

It was an honor to have our newly partnered brand Russel Hobbs, UK and its range of products, be introduced by His Excellency Vice President Mr. Faisal Naseem, at the Food and Beverage Fair on 4th June 2022.

## **MIFCO as a leasing partner of STO People’s Choice**

On 16th June 2022, STO People’s Choice partnered with MIFCO as a leasing partner of the store, thereby making available the wide range of MIFCO products from the store.

## **Launching of “Hama Hitachi” Promotion”**

On 20th June 2022, STO launched “Hama Hitachi” Promotion.





### KRUGER CHALLENGE

buy a Kruger bottle & stand a chance to win exciting Prizes

**Grand Prizes**

- 1 Benelli Panarea
- 2 iPhone 13 pro max 256gb
- 3 Philips TV 55"

Terms and conditions apply

### Celebrating International Tea Day

#### Tea Talk with Zinan

Special Discounts on Russell Hobbs Kettle

16:00 - 18:00 | 26/05/2022  
@STO People's Choice

In collaboration with  
Reynold COSMERC SPICI City



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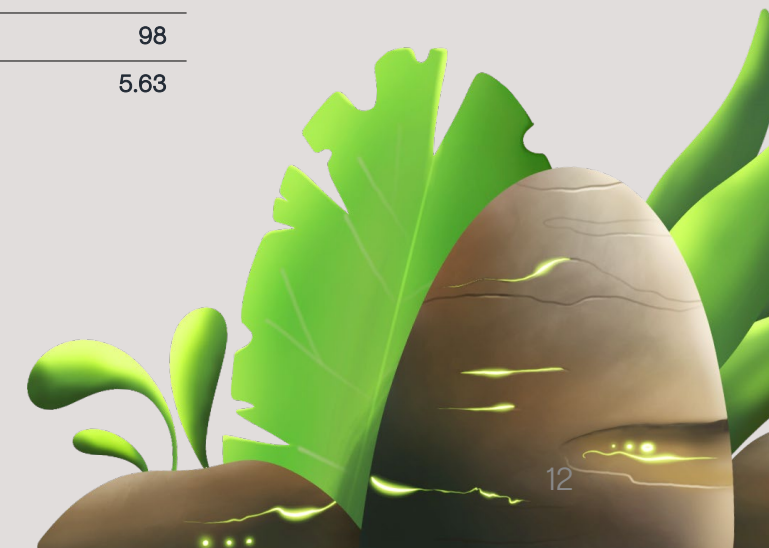


# Share Performance

|   | Q2/2022 | Q1/2022 | Q4/2021 | Q3/2021 | Q2/2021 |
|---|---------|---------|---------|---------|---------|
| Lowest Trading Price (MVR)              | 750     | 650     | 580     | 580     | 550     |
| Highest Trading Price (MVR)             | 1300    | 650     | 581     | 581     | 552     |
| Last Trading Price (MVR)                | 1300    | 650     | 581     | 581     | 550     |
| No. of Trades                           | 5       | 1       | -       | 2       | 2       |
| No. of Securities Traded                | 46      | 15      | -       | 19      | 50      |
| Value of Securities Traded              | 44,700  | 9,750   | -       | 11,030  | 27,560  |
| Weighted Average Trade Price (WATP)     | 972     | 650     | 580     | 581     | 551     |
| Market Capitalization (MVR in millions) | 1,465   | 733     | 655     | 655     | 620     |
| Dividend Yield %                        | 5       | 9       | 10      | 10      | 11      |
| Earnings Per Share (EPS in MVR)         | 138     | 133     | 116     | 114     | 98      |
| Price Earning Ratio                     | 9.43    | 4.89    | 5.00    | 5.09    | 5.63    |

\* Dividend yield has been calculated based on dividend value of MVR 65.00, approved by the shareholders at the last Annual General Meeting.

\*\* (Last Trade on 29/06/2022)



# The Board of Directors

\* Members were last appointed to the Board, at the Annual General Meeting held on 30/05/2022.  
\* Members were re-elected to Board Committees on 22/06/2022.



**Hamid Nasheed Mohamed**  
Chairman,  
Non-Executive, Independent Director



**Husen Amr Mohamed Rashad**  
Chief Executive Officer & Managing Director  
Executive Director



**Mohamed Nizam**  
Chief Financial Officer  
Executive Director



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



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



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



**Abdulla Saeed**  
Non-Executive, Independent Director  
Chairperson of CG Committee  
Member of NR Committee  
(Director elected to represent public shareholders)

# The Board Committees

## Audit & Risk Committee



**Shimad Ibrahim**  
Chairman

## Nomination & Remuneration Committee



**Gais Ismail**  
Chairman

## Corporate Governance & Compliance Committee



**Abdulla Saeed**  
Chairman



**Ismail Zumayl Rasheed**  
Member



**Gais Ismail**  
Member



**Abdulla Saeed**  
Member



**Ismail Zumayl Rasheed**  
Member



**Shimad Ibrahim**  
Member



**Gais Ismail**  
Member

# Board

## Activities

The Articles of Association of STO specifies that the Board should comprise of 7 directors. This include of 5 non-executive, independent members and 2 executive members.

At the Annual General Meeting held on 30<sup>th</sup> May 2022, 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 13.

Currently there are no female directors in the Board.

There was no change 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 16)

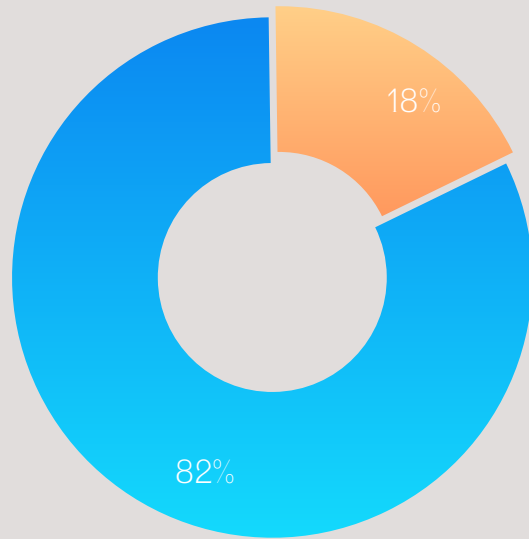
There were no known material transactions with Directors, associates, substantial shareholders or associates, other than those conducted under ordinary course of business.

# Shareholding Details

Public

**207,041 shares**

@ MVR50.00 each, amounts to MVR 10,352,050



Government

**919,869 shares**

@ MVR50.00 each, amounts to MVR 45,993,450

Authorized Capital

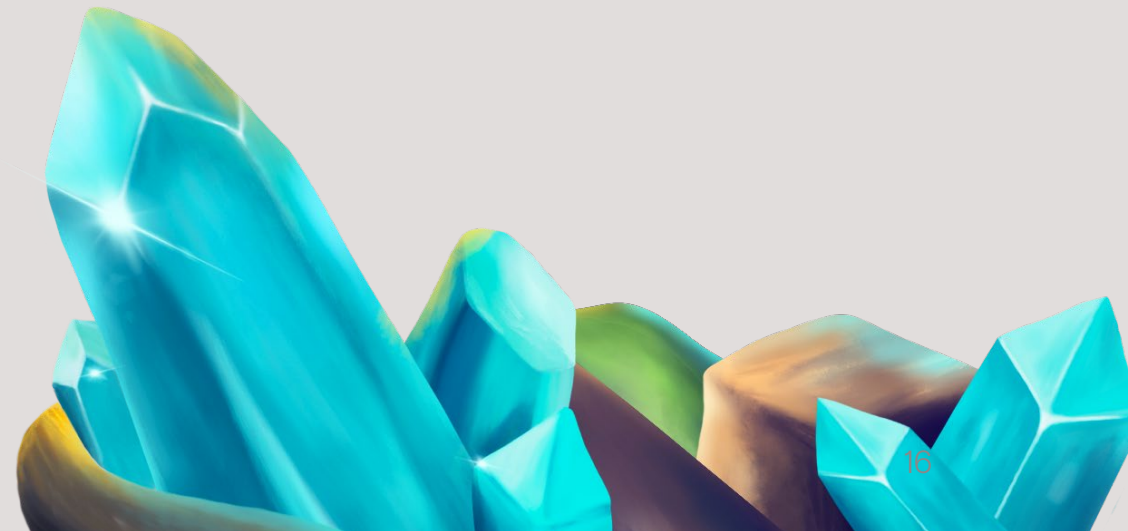
100,000,000

Paid up Capital

56,345,000

Premium

27,814,500





# Major Board Decisions

- Strategic plan updates and its implementation status was reviewed
- 8-degree channel bunkering project was discussed
- Discussion were made on matters relating to Annual General Meeting and necessary approvals were given
- It was decided to declare MVR65 per share as dividend for 2021, at the Annual General Meeting
- Audited Financial Statements were reviewed and approved for submission at the Annual General Meeting
- Approvals were given to initiate the enhancement of Medicals warehouse project
- Travel Policy and Procedure was reviewed and approved



# Board and Board Committee Attendance

|   | Board Meeting | Audit and Risk Committee | Nomination and Remuneration Committee | Corporate Governance and Compliance Committee |
|---|---------------|--------------------------|---------------------------------------|---|
| <b>Hamid Nasheed Mohamed</b><br>Chairman  | 6/6           |                          |                                       |   |
| <b>Husen Amru Mohamed Rashad</b><br>CEO/MD  | 5/6           |                          |                                       |   |
| <b>Mohamed Nizam</b><br>CFO/Executive Director  | 6/6           |                          |                                       |   |
| <b>Shimad Ibrahim</b><br>Board Member<br>Chairman of AR Committee<br>Member of CG Committee   | 6/6           |                          |                                       | -   |
| <b>Gais Ismail</b><br>Board Member<br>Chairman of NR Committee<br>Member of CG Committee<br>Member of AR Committee  | 6/6           | 2/2                      | -                                     | -   |
| <b>Ismail Zumayl Rasheed</b><br>Board Member<br>Member of NR committee<br>Member of AR Committee  | 6/6           | 2/2                      | -                                     | -   |
| <b>Aminath Rushma</b><br>Former Board Member (Until 30.05.2022)<br>Former Chairperson of CG Committee<br>Former Member of AR Committee<br>Former Member of NR Committee | 4/4           |                          | -                                     | -   |
| <b>Abdulla Saeed</b><br>Board Member (From 30.05.2022)<br>Chairperson of CG Committee<br>Member of NR Committee   | 2/2           |                          | -                                     | -   |

# 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.

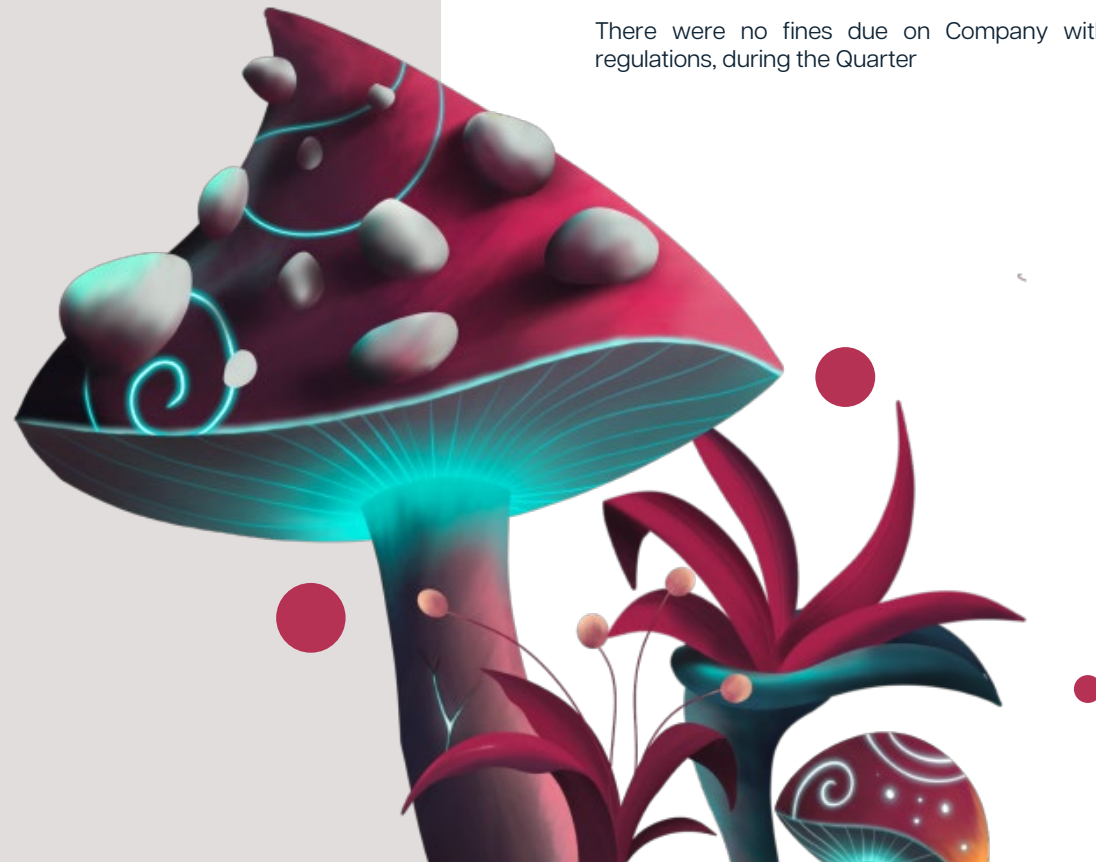
STO believes that the governance arrangements adopted by STO Group are reflective of a high performing, well governed organization. These arrangements enable the Board and Management to make well informed decisions, provide appropriate accountability and transparency, and establish the proper culture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

However, given the current procedure and practice for shareholders to appoint Directors to represent them in the Board, there were no female Directors appointed. Hence, currently the composition of the Board does not comply with the Corporate Governance Code of CMDA, on having female members in the Board.

## 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

## Revenue

**4,949** (in millions) MVR  
Q1/2022 MVR 4,042 m

## Total Expenses

**268** (in millions) MVR  
Q1/2022 MVR 278 m

## Net Profit

**155** (in millions) MVR  
Q1/2022 MVR 150 m

## Earning per Share

**138** per share  
Q1/2022 MVR 133 per share

## Net Asset per Share

**2,805** In MVR  
Q1/2022 MVR 2,729

## Cash Flow per Share

**(43)** MVR  
Q1/2022 MVR (270)

## Asset Cover Available

**2.03** Q1/2022 2.11

## Debt Equity Ratio

**2.13** Q1/2022 1.80

## Debt Service Cover Ratio

**4.41** Q1/2022 2.74

## Interest Service Cover Ratio

**1.58** Q1/2022 1.52

## Reserves

**3,076** (in millions) MVR  
Q1/2022 MVR 2,991 m

## Net Worth

**3,161** (in millions) MVR  
Q1/2022 MVR 3,075 m

# Debt Securities

|  | Q2/2022             | Q1/2022             | Q4/2021             | Q3/2021             | Q2/2021             |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Previous due date for the payment of interest/dividend                               | 31.05.2022          | 28.02.2022          | 30.11.2021          | 31.08.2021          | 31.05.2021          |
| Repayment of principal   | 24,377,163          | 24,061,357          | 23,749,643          | 23,441,968          | 23,138,278          |
| Interest   | 1,983,805           | 2,299,610           | 2,611,324           | 2,919,000           | 3,222,690           |
| 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                                   | 31.08.2022          | 31.05.2022          | 28.02.2022          | 30.11.2021          | 31.08.2021          |
| The extent and nature of collateral created and maintained with respect of principal | Sovereign guarantee | Sovereign guarantee | Sovereign guarantee | Sovereign guarantee | Sovereign guarantee |
| Breach of any covenants under the terms of debt securities                           | No                  | No                  | No                  | No                  | No                  |

# Income Statement

|                             | Q2/2022            | Q1/2022            | Q4/2021            | Q3/2021            | Q2/2021            |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue                     | 4,949,451,332      | 4,041,839,000      | 3,295,088,928      | 2,519,687,509      | 2,216,546,566      |
| Cost of Sales               | (4,491,932,224)    | (3,572,850,541)    | (2,897,681,150)    | (2,144,501,799)    | (1,843,441,039)    |
| <b>Gross Profit</b>         | <b>457,519,108</b> | <b>468,988,458</b> | <b>397,407,778</b> | <b>375,185,710</b> | <b>373,105,526</b> |
| Other operating income      | 27,312,019         | 17,882,607         | 31,998,294         | 23,338,576         | 21,821,561         |
|                             | <b>484,831,127</b> | <b>486,871,065</b> | <b>429,406,072</b> | <b>398,524,286</b> | <b>394,927,087</b> |
| Selling and marketing costs | (73,432,545)       | (60,928,253)       | (67,252,091)       | (50,045,026)       | (62,266,027)       |
| Administrative costs        | (192,068,227)      | (215,787,653)      | (184,705,204)      | (199,708,724)      | (180,777,804)      |
| Other operating expenses    | (2,828,537)        | (1,301,002)        | (550,936)          | (753,463)          | (1,772,888)        |
| <b>Operating Profit</b>     | <b>216,501,818</b> | <b>208,854,157</b> | <b>176,897,841</b> | <b>148,017,073</b> | <b>150,110,369</b> |
| Finance costs               | (28,664,704)       | (31,881,809)       | (22,757,018)       | 5,600,224          | (17,048,086)       |
| <b>Profit before tax</b>    | <b>187,837,114</b> | <b>176,972,347</b> | <b>154,140,823</b> | <b>153,617,296</b> | <b>133,062,283</b> |
| Business Profit Tax expense | (32,512,470)       | (27,057,204)       | (23,077,933)       | (24,886,241)       | (22,978,521)       |
| <b>Profit After Tax</b>     | <b>155,324,644</b> | <b>149,915,143</b> | <b>131,062,890</b> | <b>128,731,055</b> | <b>110,083,762</b> |
| <b>Earnings per share</b>   | <b>138</b>         | <b>133</b>         | <b>116</b>         | <b>114</b>         | <b>98</b>          |

# Balance Sheet

|                                     | Q2/2022              | Q1/2022              | Q4/2021              | Q3/2021              | Q2/2021              |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>ASSETS</b>                       |                      |                      |                      |                      |                      |
| <b>NON-CURRENT ASSETS</b>           |                      |                      |                      |                      |                      |
| Property Plant and Equipment        | 1,816,164,075        | 1,802,885,344        | 1,685,860,078        | 1,696,281,698        | 1,717,324,724        |
| Investment in Subsidiaries          | 284,900,650          | 157,107,425          | 157,107,425          | 157,107,425          | 157,107,425          |
| 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                         | 4,252,533            | 5,148,288            | 6,044,043            | 3,130,391            | 4,141,833            |
| Deferred Tax Asset                  | 94,197,450           | 87,726,148           | 87,726,148           | 87,726,148           | 87,726,148           |
| Right-of-use Assets                 | 147,140,713          | 147,140,713          | 164,879,935          | 164,879,935          | 164,879,935          |
| Trade and other Receivables         | 144,562,500          | 192,750,000          | 240,937,500          | 289,125,000          | 337,312,500          |
| <b>Total Non-Current Assets</b>     | <b>2,508,725,987</b> | <b>2,410,265,985</b> | <b>2,360,063,196</b> | <b>2,415,758,664</b> | <b>2,486,000,632</b> |
| <b>CURRENT ASSETS</b>               |                      |                      |                      |                      |                      |
| Inventories                         | 1,441,356,008        | 967,453,342          | 1,310,055,341        | 807,634,442          | 801,845,949          |
| Trade and Other Receivables         | 4,932,109,516        | 4,308,373,077        | 3,788,135,640        | 3,254,825,070        | 3,099,256,643        |
| Cash and Cash Equivalents           | 996,439,446          | 917,870,129          | 1,063,412,712        | 775,095,583          | 385,420,109          |
| <b>Total Current Assets</b>         | <b>7,369,904,971</b> | <b>6,193,696,548</b> | <b>6,161,603,693</b> | <b>4,837,555,095</b> | <b>4,286,522,701</b> |
| <b>Total Assets</b>                 | <b>9,878,630,958</b> | <b>8,603,962,533</b> | <b>8,521,666,889</b> | <b>7,253,313,759</b> | <b>6,772,523,334</b> |
| <b>EQUITY</b>                       |                      |                      |                      |                      |                      |
| 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                     | 970,040,198          | 938,975,269          | 907,753,491          | 881,540,914          | 855,794,702          |
| Retained Earnings                   | 2,106,364,743        | 2,051,758,733        | 1,926,871,623        | 1,831,618,853        | 1,728,634,170        |
| <b>Total Equity</b>                 | <b>3,160,564,941</b> | <b>3,074,894,002</b> | <b>2,918,785,115</b> | <b>2,797,319,767</b> | <b>2,668,588,873</b> |

# Balance Sheet continued..

|                                     | Q2/2022              | Q1/2022              | Q4/2021              | Q3/2021              | Q2/2021              |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>LIABILITIES</b>                  |                      |                      |                      |                      |                      |
| <b>NON-CURRENT LIABILITIES</b>      |                      |                      |                      |                      |                      |
| Loans and Borrowings                | 426,371,053          | 407,458,306          | 368,582,041          | 391,197,773          | 466,160,534          |
| <b>CURRENT LIABILITIES</b>          |                      |                      |                      |                      |                      |
| Current Tax Liabilities             | 59,823,393           | 38,869,374           | 52,066,617           | 28,988,684           | 61,786,487           |
| Lease Liabilities                   | 165,645,414          | 165,645,414          | 179,373,306          | 179,373,306          | 179,373,306          |
| Trade and Other Payables            | 3,516,081,654        | 2,641,219,291        | 2,994,046,863        | 1,957,951,780        | 1,752,146,993        |
| Borrowings                          | 2,550,144,503        | 2,275,876,147        | 2,008,812,947        | 1,898,482,450        | 1,644,467,141        |
| <b>Total Current Liabilities</b>    | <b>6,291,694,964</b> | <b>5,121,610,225</b> | <b>5,234,299,734</b> | <b>4,064,796,220</b> | <b>3,637,773,927</b> |
| <b>Total Liabilities</b>            | <b>6,718,066,018</b> | <b>5,529,068,531</b> | <b>5,602,881,775</b> | <b>4,455,993,992</b> | <b>4,103,934,461</b> |
| <b>Total Equity and Liabilities</b> | <b>9,878,630,958</b> | <b>8,603,962,533</b> | <b>8,521,666,890</b> | <b>7,253,313,759</b> | <b>6,772,523,334</b> |



**Mohamed Nizam**  
Chief Financial Officer



**Husen Amr Mohamed Rashad**  
Chief Executive Officer & Managing Director



**Shimad Ibrahim**  
Chairman of AR Committee



# Cash flow Statement

|   | Q2/2022             | Q1/2022              | Q4/2021            | Q3/2021            | Q2/2021            |
|---|---------------------|----------------------|--------------------|--------------------|--------------------|
| Profit before business profit tax                               | 187,837,114         | 176,972,347          | 154,140,823        | 153,616,142        | 133,062,283        |
| Adjustments for:  |                     |                      |                    |                    |                    |
| - Depreciation & amortization                                   | 23,615,692          | 23,205,871           | 25,974,281         | 25,555,713         | 25,265,267         |
| - Interest income   | (2,193,587)         | (2,624,492)          | (1,350,517)        | (736,106)          | (1,182,983)        |
| - Interest expense  | 39,050,289          | 34,550,794           | 38,018,215         | 25,834,356         | 28,207,226         |
| - Dividend income   | (8,000,000)         | -                    | (14,999,900)       | (29,900,867)       | (10,000,000)       |
| - Provision for impairment of receivables                       | 23,836,108          | 1,181,117            | 11,660,157         | 5,495,723          | 10,038,796         |
| - Provision for impairment of assets                            | -                   | 10,000,000           | -                  | -                  | 12,737,508         |
| - Receivables written off                                       | -                   | -                    | -                  | -                  | 381,605            |
| - Provision for slow and non-moving inventories                 | 7,808,428           | 4,560,173            | (2,062,449)        | 34,891,744         | 5,853,948          |
| - Profit on disposal of property, plant and equipment           | (9,402,952)         | (53,132)             | (25,741)           | -                  | (160,132)          |
| Changes in working capital:                                     |                     |                      |                    |                    |                    |
| - Inventories   | (660,386,077)       | 338,041,826          | (500,358,451)      | (40,681,577)       | 55,533,785         |
| - Trade and other receivables                                   | (595,903,206)       | (470,509,921)        | (371,903,654)      | (111,862,712)      | 28,392,846         |
| - Trade and other payables                                      | 998,432,533         | (344,300,543)        | 1,026,784,425      | 206,846,789        | 20,844,588         |
|   | <b>4,694,341</b>    | <b>(228,975,960)</b> | <b>365,877,191</b> | <b>269,059,204</b> | <b>308,974,737</b> |
| <b>Cash flows from operating activities</b>                     |                     |                      |                    |                    |                    |
| Interest paid   | (39,050,289)        | (34,550,794)         | (38,018,215)       | (25,834,356)       | (28,207,226)       |
| Business profit tax paid  | (14,434,308)        | (40,254,447)         | -                  | (57,684,044)       | -                  |
| <b>Net cash generated from / (used in) operating activities</b> | <b>(48,790,256)</b> | <b>(303,781,201)</b> | <b>327,858,976</b> | <b>185,540,804</b> | <b>280,767,510</b> |

# Cash flow Statement continued..

|   | Q2/2022              | Q1/2022              | Q4/2021              | Q3/2021            | Q2/2021              |
|---|----------------------|----------------------|----------------------|--------------------|----------------------|
| <b>Cash flows from investing activities</b>   |                      |                      |                      |                    |                      |
| Purchases of property, plant and equipment - net                                    | (157,870,782)        | (150,178,005)        | (15,526,921)         | (4,512,849)        | (2,393,302)          |
| Loan to related parties   | -                    | -                    | (127,793,225)        | -                  | -                    |
| (Purchases of) / Proceeds from held-to-maturity financial assets                    | -                    | -                    | -                    | -                  | 159,571,562          |
| Interest received   | 2,193,587            | 2,624,492            | 1,350,517            | 736,106            | 1,182,983            |
| Dividends received  | 8,000,000            | -                    | 14,999,900           | 29,900,867         | 10,000,000           |
| <b>Net cash generated from / (used in) investing activities</b>                     | <b>(147,677,195)</b> | <b>(147,553,514)</b> | <b>(126,969,729)</b> | <b>26,124,124</b>  | <b>168,361,243</b>   |
| <b>Cash flows from financing activities</b>   |                      |                      |                      |                    |                      |
| Net proceeds from / (repayment of) borrowings                                       | 287,475,220          | 305,939,464          | 87,714,766           | 179,052,547        | (386,290,334)        |
| Dividends paid to shareholders  | (12,438,452)         | (189,535)            | (286,884)            | (1,042,002)        | (11,259,690)         |
| <b>Net cash generated from / (used in) financing activities</b>                     | <b>275,036,768</b>   | <b>305,749,929</b>   | <b>87,427,882</b>    | <b>178,010,545</b> | <b>(397,550,024)</b> |
| <b>Net increase / (decrease) in cash and cash equivalents</b>                       | <b>78,569,318</b>    | <b>(145,584,785)</b> | <b>288,317,129</b>   | <b>389,675,474</b> | <b>51,578,729</b>    |
| Cash, cash equivalents and bank overdrafts at beginning of the quarter              | 917,870,129          | -                    | 775,095,583          | 385,420,109        | 333,841,381          |
| Adjusted cash, cash equivalents and bank overdrafts at the beginning of the quarter |                      | 1,063,454,914        | -                    | -                  | -                    |
| <b>Cash, cash equivalents and bank overdrafts at end of the quarter</b>             | <b>996,439,446</b>   | <b>917,870,129</b>   | <b>1,063,412,712</b> | <b>775,095,583</b> | <b>385,420,109</b>   |

# Statement of Equity

|   | Share capital     | Share premium     | General reserve    | Retained Earnings    | Total                |
|---|-------------------|-------------------|--------------------|----------------------|----------------------|
| Adjusted balances as at 01st July 2021              | 56,345,500        | 27,814,500        | 855,794,702        | 1,728,634,009        | 2,668,588,712        |
| Profit for the year                                 | -                 | -                 | -                  | 128,731,055          | 128,731,055          |
| Remeasurement of retirement benefit liability (OCI) | -                 | -                 | -                  | -                    | -                    |
| Transfer to general reserve                         | -                 | -                 | 25,746,211         | (25,746,211)         | -                    |
| <b>Balance as at 30th September 2021</b>            | <b>56,345,500</b> | <b>27,814,500</b> | <b>881,540,914</b> | <b>1,831,618,853</b> | <b>2,797,319,767</b> |
| Adjusted balances as at 01st October 2021           | 56,345,500        | 27,814,500        | 881,540,914        | 1,831,618,853        | 2,797,320,528        |
| Profit for the year                                 | -                 | -                 | -                  | 131,062,890          | 131,062,890          |
| Remeasurement of retirement benefit liability (OCI) | -                 | -                 | -                  | (9,597,542)          | (9,597,542)          |
| Transfer to general reserve                         | -                 | -                 | 26,212,578         | (26,212,578)         | -                    |
| Dividends   | -                 | -                 | -                  | -                    | -                    |
| <b>Balance as at 31st Dec 2021</b>                  | <b>56,345,500</b> | <b>27,814,500</b> | <b>907,753,491</b> | <b>1,926,871,623</b> | <b>2,918,785,115</b> |
| Impact on reported profit due to audit adjustments  | -                 | -                 | 1,238,749          | 4,954,995            | 6,193,744            |
| Adjusted balances as at 01st January 2022           | 56,345,500        | 27,814,500        | 908,992,240        | 1,931,826,618        | 2,924,978,859        |
| Profit for the year                                 | -                 | -                 | -                  | 149,915,143          | 149,915,143          |
| Transfer to general reserve                         | -                 | -                 | 29,983,029         | (29,983,029)         | -                    |
| <b>Balance as at 31st March 2022</b>                | <b>56,345,500</b> | <b>27,814,500</b> | <b>938,975,269</b> | <b>2,051,758,733</b> | <b>3,074,894,002</b> |
| Impact on reported profit due to audit adjustments  | -                 | -                 | -                  | 3,595,444            | 3,595,444            |
| Adjusted balances as at 01st April 2022             | 56,345,500        | 27,814,500        | 938,975,269        | 2,055,354,177        | 3,078,489,446        |
| Profit for the year                                 | -                 | -                 | -                  | 155,324,644          | 155,324,644          |
| Transfer to general reserve                         | -                 | -                 | 31,064,929         | (31,064,929)         | -                    |
| Dividends   | -                 | -                 | -                  | (73,249,149)         | (73,249,149)         |
| <b>Balance as at 30th June 2022</b>                 | <b>56,345,500</b> | <b>27,814,500</b> | <b>970,040,198</b> | <b>2,106,364,743</b> | <b>3,160,564,941</b> |



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, let's continue to enhance our lives.

### **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](mailto:info@stomaldives.net)  
Website: [sto.mv](http://sto.mv)





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, Shipping 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.