



MALDIVES HAJJ CORPORATION LIMITED

DIRECTORS REPORT

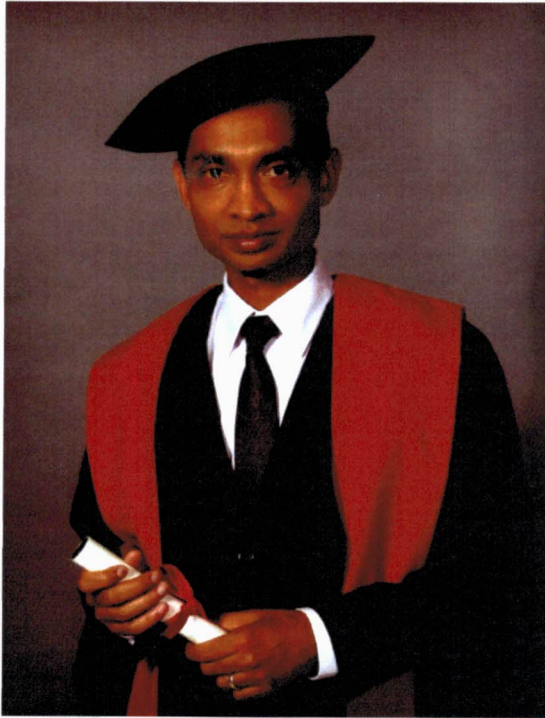
2018



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CHAIRMAN'S MESSAGE



On behalf of the Board of Directors, it gives me great pleasure to present you Maldives Hajj Corporation Limited (MHCL) Directors Report. MHCL is currently the leading Hajj and Umrah service provider in the Maldives. MHCL is continuously focusing on improving the quality of services and trustworthy services offered to the public.

Maldives Hajj Corporation Limited place great significance in fostering good corporate governance practices including uniformity and transparency in our work.

MHCL is also seeking modern technologies to facilitate the operations and services for continuous growth and development. We need a broader vision for leadership and transform the existing models to back our aspirations.

I would like to take this opportunity to express my deepest appreciation to our management team and staff for their pride of working as a team and contributing towards the growth of MHCL.

I am eternally grateful for the continuous support extended to me by my fellow board of directors, in helping to position MHCL to progress. We have achieved quite a great deal in the previous year and Insha Allah we will continue to do so in the future.

Dr. Mohamed Kinaanath

Chairman

Maldives Hajj Corporation Limited

MANAGING DIRECTOR'S MESSAGE



This year marks the 5th year of operations of the Maldives Hajj Corporation Limited (MHCL) which was established with the main objective of providing fair and impartial opportunity for all Maldivians to perform their Hajj and Umrah at an affordable cost with superior service quality standards. The company also aims to establish and maintain a reliable system for enabling prospective citizens to save for Hajj and Umrah Pilgrimage and safeguarding the funds deposited by them with the company.

Although MHCL has performed financially well during 2018 compared with 2017, we are still far from becoming a self-sufficient entity.

Following my appointment as the Managing Director on 25th December 2018, my first priority has been given to restore public trust and confidence towards the organization, to make the operations more efficient and pave way towards profitability. Several efforts have been made towards efficiency and streamlining of operations of the company. We have recently finalized the 5 year strategic business plan for MHCL which aims to pave way towards self-sustainability and ultimately profitability. Efforts are being made to strengthen governance and accountability frameworks within the company which is key for public confidence. These areas will remain my key priorities within the year ahead.

I would like to highlight the importance of proper planning and coordination within the relevant authorities of the Government with regard to Hajj operations. Continued efforts by the Government, particularly the Ministry of Islamic Affairs are crucial to ensure efficient and flawless arrangements for Hajj are made.

I would like to thank His Excellency President Ibrahim Mohamed Solih for his tireless efforts to improve the quality of Hajj and Umrah experiences. I assure you that the MHCL team will continue our vehement efforts to make Maldivian citizens' Hajj and Umrah experiences affordable, efficient, delivered with superior service quality.

Mr. Ismail Hameed
Managing Director
Maldives Hajj Corporation Limited



Business Overview:

Maldives Hajj Corporation Limited (MHCL) is a state owned enterprise formed under a presidential decree in November 07, 2013. Maldives Hajj Corporation aims at providing fair and impartial opportunity for all the citizen of the nation to perform their Hajj and Umrah with an affordable cost, superior service quality standards, together with the assurance of safeguarding the finances deposited by the potential Hajjis registered as members of the corporation. MHCL aims at providing fair and impartial opportunity for all the citizen of the nation to perform their Hajj and Umrah at an affordable cost, superior service quality standards, together with the assurance of safeguarding the finances deposited by the potential Hajjis registered as members of the corporation.

Mission

- o To establish a convenient mechanism to provide fair and impartial opportunity to perform Hajj and to safeguard the finances of the Maldivians who are planning on performing Hajj and Umrah.

Vision

- o Provide affordable means of performing Hajj and Umrah for Maldivians
- o Improve the quality of services offered to the Maldivian Hajjis.
- o Promote the practice of organizing Hajj in a better organized mode amongst



Positioning Statement

o MHCL is currently positioned as the leading Hajj and Umrah service provider in the Maldives with guaranteed security for its depositors' fund. MHCL provides much needed quality and trust worthy services to the Maldivians to ensure the successful completion of the holy journey.

Authorised Capital

o Maldives Hajj Corporation Limited is authorized to issue 100,000,000 (One Hundred Million) shares of MVR 10 each amounting to Rufiyaa 1,000,000,000 (One Hundred Billion).

Issued Share Capital

o Issued share capital of Maldives Hajj Corporation is 29,500,000 (Twenty Nine Million Five Hundred Thousand) shares of Rf10 each amounting to Rufiyaa 295,000,000 (Two Hundred & Ninety Five Million).



Governance Summary:

The Articles of Association of Maldives Hajj Corporation stipulates that the Board should comprise of five directors. In year 2018, there were several changes to the company's board of directors.

The name(s) of the director(s) in office at any time during or since the end of the year is [OR are]:

Name	Designation	Appointed	Dismissed
1. Mr. Ismail Hameed	Managing Director	Dec 2018	-
2. Sh. Mohamed Rasheed Ibrahim Rasheed	Chairman	Feb 2016	Dec 2018
3. Mr. Yameen Idhris	Managing Director	Feb 2013	Jan 2018
4. Mr. Farhaad Dauood	Director	Feb 2016	Jan 2018
5. Mr. Idrees Ismail	Managing Director	Jan 2018	Nov 2018
6. Mr. Ali Waheed	Director	Nov 2016	Feb 2019
7. Mr. Hussain Saeed	Director	Jan 2018	Sep 2019
8. Mr. Abdullah Farouk Hassan	Director	Nov 2016	Sep 2019

On 6th March 2019, Dr. Mohamed Kinaaanath was appointed as the chairman of Maldives Hajj Corporation Limited. On 26th September 2019, NED Mr. Abdullah Farouk Hassan and NED Mr. Hassan Saeed Mohamed was removed from the Board of Directors and Mr. Mohamed Shafeeq , Ms. Fathimath Leena and Mr. Mohamed Nashid was appointed as Non-executive Directors to the Board of Maldives Hajj Corporation Limited.

The Current Board of Directors

The current Board of Directors represents a highly qualified and diverse set of experts with members from different professional and academic backgrounds. The Directors of the Company in office at the date of this report are as follows:



Chairman

Dr. Mohamed Kinaanath
Consultant in E-Business & IT
Appointed: 6th Mar 2019



Managing Director

Mr. Ismail Hameed
FCCA
Appointed: 25th Dec 2018



Director

Mohamed Shafeeq
FCCA, MBA
Appointed: 26th Sep 2019



Director

Mrs. Fathimath Leena
ACCA
Appointed: 26th Sep 2019



Director

Mr. Mohamed Nashid
Appointed: 26th Sep 2019

Company Secretary

Mrs. Fathimath Abdullah Saeed worked as the company secretary for MHCL until her resignation on August 2018. The current company secretary Mr. Ibrahim Hafiz was appointed on 5th February 2019. Mrs. Aishath Lahufa also worked as an acting company secretary from August 2018 till the end of Dec 2018.

Current Board Committees (2019)

Audit Committee	Sharia Committee
1. Mohamed Shafeeq	1. Sheikh Ali Zahir
2. Fathimath Leena	2. Sheikh Ahmed Saleem
3. Mohamed Nashid	3. Uza. Mariyam Shabana

Board of Directors & Committee Meeting Details (2018)

Board Meetings	21
Audit Committee	00
HR Committee	02
Bid Committee	03
Sharia Committee	00

Employee Details

No. of Employees	13
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Operational Highlights

Hajj 1439:

- MHCL was given 50% from the total Hajj quota (1st Quota and 2nd Quota) given to Maldives.
- Hajj Corporation took 896 Pilgrims to Saudi Arabia to perform their Hajj and stayed the customary 30 days in Saudi Arabia.
- Accommodation was arranged at Refa Al Sadd Hotel in Mecca and Sufaraa Al – Eeman in Medina.
- Total 54 assistants joined the MHCL team to support the logistical and operational aspect of 1439 Hajj trip. These assistants include Hajj Corporation Staffs, doctors, nurses, religious scholars, chefs and other assistants.

Umrah

MHCL organized 3 Umrah trips in Year 2018. With the Ramadan Umrah, another 2 trips were arranged during school holidays in March and in December. Total 519 People participated in these Umrah trips. Total 34 Assistants Joined to support the logistical and operational aspect of these trips.

Ageega and other Slaughtering:

Ageega service is in high demand since it was introduction in 2015. During the year 2018 people 463 applied for Ageega services.

Financial Summary

STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31 December 20

	2018	2017
	MVR	MVR
Revenue	79,137,122.00	90,239,587.00
Cost of sales	<u>(89,044,363)</u>	<u>(107,959,598)</u>
Gross loss	(9,907,241)	(17,720,011)
Other income	332,181	540,519
Administrative expenses	(6,038,916)	(7,201,996)
Selling and marketing cost	<u>(129,435)</u>	<u>(341,827)</u>
Operating loss	(15,743,411)	(24,723,315)
Finance income	<u>4,135,009</u>	<u>4,140,251</u>
Loss for the year	<u><u>(11,608,402)</u></u>	<u><u>(20,583,064)</u></u>

Financial Summary

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	2018	(Restated) 2017
	MVR	MVR
ASSETS		
Non -current assets		
Property, plant and equipment	887,785	1,123,612
Intangible assets	-	-
Held -to-maturity investments	62,119,611	62,114,999
	<u>63,007,396</u>	<u>63,238,611</u>
Current assets		
Inventory	1,052,906	389,122
Tarde & Other Receivables	3,462,712	1,929,027
Cash and cash equivalents	67,725,725	63,217,492
	<u>72,241,343</u>	<u>65,535,641</u>
Total assets	<u>135,248,739</u>	<u>128,774,252</u>
EQUITY		
Capital and reserves		
Share capital	29,500,000	24,500,000
Accumulated losses	(49,406,466)	(37,798,064)
	<u>(19,906,466)</u>	<u>(13,298,064)</u>
Non -current liabilities		
Advance received from customers for Hajj	127,439,995	116,024,197

FUTURE PROSPECTUS OF THE COMPANY

A new Board of Directors and management is in place and is determined to make the company financially self-sustainable. The vision of the new management is to explore new avenues to develop existing business and raise finance for new businesses by achieving the required diversity of investment in a variety of economic enterprises. MHCL is committed to protecting and safeguard the members fund for Hajj and Umra and is looking for new sharia compliant ways in which investments can be made so that investment gain can be shared with MHCL members to help them to raise the required funds for Hajj pilgrimage.

As highlighted before, the hope is that the newly formulated business plan will enable MHCL to identify opportunities it can invest to facilitate in a more robust and sustainable business model. Furthermore to integrate technological advancements in business to make the services more easily accessible and convenient for the pilgrims. The board maintains a positive outlook on the future of MHCL and is committed in achieving the targets with the help of the management team.

18th Nov 2018



CHAIRMAN
Dr. Mohamed Kinaanath



MANAGING DIRECTOR
Mr. Ismail Hameed

MALDIVES HAJJ CORPORATION LIMITED

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Boduthakurufaanu Magu

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