

KUDAKURATHU ISLAND RESORT PRIVATE LIMITED

**AUDITORS REPORT AND SPECIAL PURPOSE
FINANCIAL STATEMENTS**

AS AT 31st MARCH 2025

DN/TDH/MS

**Independent Auditor's Report
To the Shareholders of Kudakurathu Island Resort Private Limited
Report on the Audit of the Special Purpose Financial Statements**

Opinion

We have audited the Special Purpose financial statements of Kudakurathu Island Resort Private Limited ("the Company"), which comprise the statement of financial position as at 31 March 2025 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for year then ended, and notes to the financial statements, including a material accounting policy information.

In our opinion, the accompanying special purpose financial statements give a true and fair view of the financial position of the Company as at 31 March 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the Special Purpose Financial Statements

Management is responsible for the preparation of the special purpose financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of Special Purpose these financial statements.

Auditor's responsibilities for the audit of the Special Purpose Financial Statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For and on behalf of Ernst & Young
Partner: Dhunya Nizar
Licensed Auditor: ICAM-IL-Z73

12 May 2025
Male'

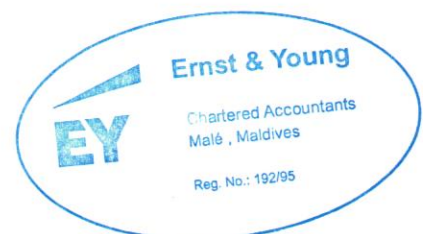
Kudakurathu Island Resort Pvt Ltd

Statement of comprehensive income for the year ended 31 March 2025

(All amounts are in USD millions, unless otherwise stated)

	Notes	March 31, 2025	March 31, 2024
Income			
Revenue from operations	19	14.32	6.39
Other income	20	0.37	0.12
Total income (I)		14.69	6.51
Expenses			
Cost of materials consumed	21	1.85	1.20
Employee benefits expense	21A	3.57	3.89
Other expenses	21B	7.46	10.68
Depreciation and amortisation expense	22	6.72	4.14
Total expenses (II)		19.60	19.92
Loss before finance costs and tax (I-II)		(4.91)	(13.40)
Finance costs	23	4.74	3.15
Net loss before tax		(9.65)	(16.55)
Tax expenses:			
Current tax	24	-	-
Deferred tax	24	-	-
Total tax expenses		-	-
Net loss for the year		(9.65)	(16.55)
Other comprehensive income		-	-
Total comprehensive loss for the year, net of tax		(9.65)	(16.55)

The accompanying notes are an integral part of the special purpose financial statements.



Kudakurathu Island Resort Pvt Ltd
Statement of financial position as at 31 March 2025
 (All amounts are in USD millions, unless otherwise stated)

	Notes	March 31, 2025	March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	6	90.11	92.92
Right of use assets	7	13.97	14.36
Capital work-in-progress	6	1.30	0.82
Other non-current assets	8	1.87	1.02
		107.25	109.12
Current assets			
Inventories	9	0.85	0.55
Financial assets			
Trade receivables	10	0.87	0.20
Cash and cash equivalents	11	8.26	2.74
Other current assets	8	3.25	8.09
		13.23	11.58
TOTAL		120.48	120.70
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	58.18	37.93
Other equity	13	4.35	26.75
		62.53	64.68
Non-current liabilities			
Financial liabilities			
Borrowings	14	34.43	32.96
Lease liability	15	11.86	12.21
		46.29	45.17
Current liabilities			
Financial liabilities			
Borrowings	14	1.97	-
Lease liability	15	1.71	1.55
Trade payables	16	4.04	2.16
Other financial liabilities	17	1.85	6.62
Other current liabilities	18	2.09	0.53
		11.66	10.85
Total liabilities		57.95	56.02
TOTAL		120.48	120.70

The board of directors is responsible for these financial statements.

Signed for and on behalf of the board by,

Name of the director

PRATEEK CHORDIA

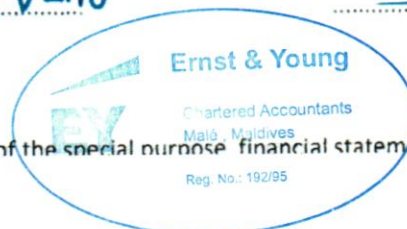
Signature



MOHAMED HUSSAIN FVLHU



12 May 2025
India



The accompanying notes are an integral part of the special purpose financial statements.

Kudakurathu Island Resort Pvt Ltd

Statement of changes in equity for the year ended year ended 31 March 2025

(All amounts are in USD millions, unless otherwise stated)

A. Equity share capital

Particulars	In USD		in No	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
At the beginning of the year	37.93	37.93	37.93	37.93
Balance at the beginning of the current reporting period	37.93	37.93	37.93	37.93
Changes in equity share capital during the year	20.25	-	20.25	-
At the end of the year	58.18	37.93	58.18	37.93

B. Other equity

	Reserves and surplus			Compulsarily convertible debentures classified as equity	Equity component of optionally convertible debentures	Total
	Share premium	Advance towards share capital	Retained earnings			
Balance as at April 01, 2023	21.07	15.00	(1.77)	-	-	34.30
Advance towards share capital	-	9.00	-	-	-	9.00
Loss for the year	-	-	(16.55)	-	-	(16.55)
Total comprehensive income for the period ended March 31, 2024	-	-	(18.32)	-	-	(16.55)
Balance as at March 31, 2024	21.07	24.00	(18.32)	-	-	26.75
Advance towards share capital	-	(24.00)	-	-	-	(24.00)
Share premium	11.25	-	-	-	-	11.25
Loss for the year	-	-	(9.65)	-	-	(9.65)
Total comprehensive income for the period ended March 31, 2025	-	-	(9.65)	-	-	(9.65)
Balance as at March 31, 2025	32.32	-	(27.97)	-	-	4.35



The accompanying notes are an integral part of the special purpose financial statements.

Chartered Accountants
Malé, Maldives

Reg. No.: 192/95

Kudakurathu Island Resort Pvt Ltd
Statement of cash flow for the year ended 31 March 2025
(All amounts are in USD millions, unless otherwise stated)

	March 31, 2025	March 31, 2024
A. Cash flows from operating activities		
Loss before tax	(9.65)	(16.55)
Adjustments for:		
Depreciation of property, plant and equipment	6.33	3.95
Depreciation of right of use assets	0.39	0.19
Provision for doubtful debts on trade receivables	0.06	-
Finance costs	4.74	3.15
Interest income	-	(0.04)
Operating profit before working capital changes	1.87	(9.30)
Movements in working capital :		
Increase in inventories	(0.30)	(0.55)
Increase in trade receivables	(0.73)	(0.20)
Increase in trade payables	1.88	2.16
Increase/(decrease) in other current liabilities	1.56	(0.45)
Cash generated / (used) from operations	4.28	(8.34)
Direct taxes paid (net of refunds)	-	-
Net cash flow generated / (used) in operating activities (A)	4.28	(8.34)
B. Cash flows from investing activities		
Payments towards purchase of property and capital work in progress	(3.99)	(23.92)
Interest received	-	0.04
Decrease in other current assets	4.84	4.62
(Decrease)/increase in other financial liabilities	(4.77)	3.87
Net cash flow used in investing activities (B)	(4.77)	(15.39)
C. Cash flows from financing activities		
Repayment of long-term borrowings	(27.25)	-
New loan obtained	36.60	8.50
Advance for share issuance	-	9.00
Lease payment (note 15)	(1.88)	(1.05)
Interest paid	(1.46)	(1.24)
Net cash flow generated from financing activities (C)	6.01	15.21
Net increase / (decrease) in cash and cash equivalents (A + B + C)	5.52	(8.52)
Cash and cash equivalents at the beginning of the year	2.74	11.26
Cash and cash equivalents at the end of the year	8.26	2.74
Cash and cash equivalents include		
Balances with banks	8.23	2.73
Cash on hand	0.03	0.01
Total cash and cash equivalents (refer note 11)	8.26	2.74

The accompanying notes are an integral part of the special purpose financial statements.

**KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025**

1 CORPORATE INFORMATION

1.1 Reporting entity

Kudakurathu Island Resort Private Limited (the “Company”) (Registration No.C06152018) is a private limited liability company incorporated and domiciled in the Republic of Maldives since 17 July 2018. The registered office of the Company is situated at Ma. Dawn Shine, Zamaanee Goalhi, K Male’, Republic of Maldives.

1.2 Principal activities and nature of operations

The Company is engaged in owning and operating the “Raaya by Atmosphere” which provides accommodation facilities, food, and beverages to the tourists and other facilities and recreational activities.

1.3 Date of authorisation for issue

The special purpose financial statements of the Company as at 31 March 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 12 May 2025.

1.4 Parent Enterprise and Ultimate

The Company’s immediate parent and ultimate parent undertaking is Ventive Hospitality Limited, an entity incorporated and domiciled in India and listed in Indian stock exchange.

2 BASIS OF PREPARATION

2.1 Special Purpose financial statements

These special purpose financial statements as at 31 March 2025 have been prepared solely for the purpose of providing financial information on reporting dates that are aligned with Ventive Hospitality Limited to be used in the preparation of the Consolidated Financial Statements by the holding company.

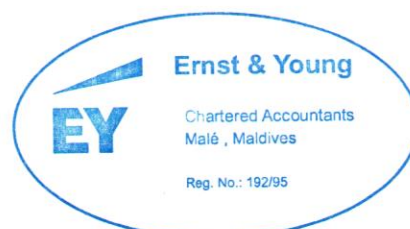
As such, these special purpose financial statements as at 31 March 2025 of the Company are prepared in addition to the statutory financial statements as at and for the year ended 31 March, and therefore should not be used for any other purpose except as described above.

2.2 Statement of compliance

The statements of financial position, statements of comprehensive income, statements of cash flows and statements of changes in equity, together with accounting policies and notes form the special purpose financial statements (“financial statements”) of the Company. The recognition and measurement of assets, liabilities, equity, income and expenses of these financial statements are in accordance with the requirements of IFRS Accounting Standards.

2.3 Basis of measurement

These financial statements have been prepared on a historical cost basis and presented in United States dollars (“USD”). All values are rounded to the nearest millions, except when otherwise indicated.



**KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025**

4 MATERIAL ACCOUNTING POLICY INFORMATION

The following are the significant accounting policies applied by the Company in preparing its financial statements:

4.1 Foreign currency translation

The financial statements are presented in USD, which is the Company's functional and presentation currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item.

4.2 Revenue recognition

The Company owns and operates "Raaya by Atmosphere" undertake all resort related activities such as room service, food and beverages, spa service and water sports and related activities. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Room service

The performance obligation is satisfied over-time and the payment is generally due upon check out.

Foods and beverages

The performance obligation is satisfied upon delivery of the foods and beverages and the payment is generally due upon check out.

Other services

The performance obligation is satisfied upon delivery of the other services and the payment is generally due upon check out.

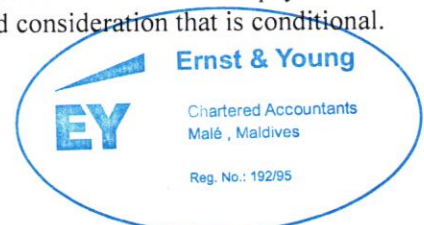
Others

Other income is recognised on an accrual basis.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.



**KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025**

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

4.3 Expenditure recognition

Expenses are recognised in the statement of comprehensive income on the basis of direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to statement of comprehensive income in arriving at the profit for the period.

4.4 Taxes

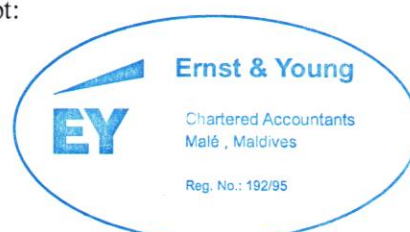
Current tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the end of the reporting period. Current tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the end of the reporting period. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:



**KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025**

4 MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)

4.4 Taxes (Continued)

Deferred tax (Continued)

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside statement of comprehensive income is recognised outside statement of comprehensive income. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in statement of comprehensive income.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and payables that are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025**

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.5 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Lease right of Kudakurathu in Raa Atoll from 50 years from 01 June 2011

The right-of-use assets are subject to impairment. Refer to accounting policies on impairment on non-financial assets in this note.

Lease liabilities

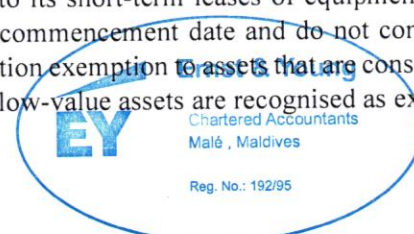
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. IFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



**KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025**

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.6 Property, plant and equipment

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met.

The cost of the self-constructed assets includes the cost of materials, direct labour cost and appropriate proportion of production overheads. The cost of property, plant and equipment acquired by the Company includes cost of acquisition together with any incidental expenses incurred in bringing the assets to its working condition for the intended use. When a major inspection of plant and machinery is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are met.

Depreciation on property, plant and equipment of the Company is charged on a straight-line basis to write off the cost over the estimated useful life of the assets. Estimated useful life of the major asset classes are as follows:

Island improvements	10 Years
Building	25 Years
Plant & Machinery	10 Years
Furniture & fittings	10 Years
Operating assets	3 years
Computers	5 Years
Vehicles	5 to 10 Years
Electronic equipment	5 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

4.7 Impairment of non-financial assets

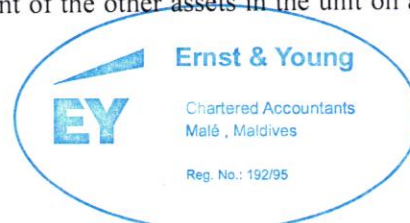
The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment/ Reversal of impairment

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.



**KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025**

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.7 Impairment of non-financial assets (Continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.8 Financial instruments

Financial assets

Initial recognition and measurement

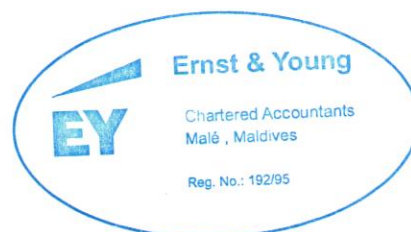
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.



**KUDAKURATHU ISLAND RESORT PRIVATE LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025**

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.8 Financial instruments (Continued)

Financial assets (Continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired.

Or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.