



QUARTERLY REPORT

2019

Q1

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## KEY DEVELOPMENTS

During the 1<sup>st</sup> Quarter 2019, MTCC carried out a total of 22 construction projects out of which 12 projects were successfully completed. Three new projects were started during the quarter whereas 6 projects were awarded. MTCC also carried out a total of 06 dredging, reclamation and other projects were carried out, including; Land Reclamation of Maavaru Lagoon, Land Reclamation and Shore Protection of K. Thilafushi Project, Gdh. Faresmaathoda Land Reclamation and Shore Protection, Land Reclamation and Shore Protection of Ha. Hoarafushi, K.Hura Land Reclamation & Shore Protection, and Sawmill Relocation Project. From this Land Reclamation of Maavaru Lagoon was completed during the quarter.

MTCC's Transport Segment continues with the strategy to maintain the costs level and in parallel, improve the service standards and revenue. In 2019 the company's focus has been to improve charter services and increase overall quality of our services.

## CLUB MTCC

In the celebration of 38<sup>th</sup> Anniversary of MTCC Plc, a special "Staff Night" was held on the 29<sup>th</sup> March 2019 at Clubfaru – Hulhumale. Mr. Hassan Shah (CEO), Mr. Shahid Hussain Moosa (COO), Mr. Mohamed Faheem (Chairman of the Board) along with HOD's and employees from various departments participated in this event.

MTCC took part in the Maldives International Marathon 2019, held on 8<sup>th</sup> March 2019 in Hulhumale', where a total of 80 employees took part in the run. During this quarter, MTCC organized the Club MTCC Futsal Cup 2019 from 6<sup>th</sup> March to 14<sup>th</sup> March 2019 with a total fourteen teams comprising of employees from various departments.

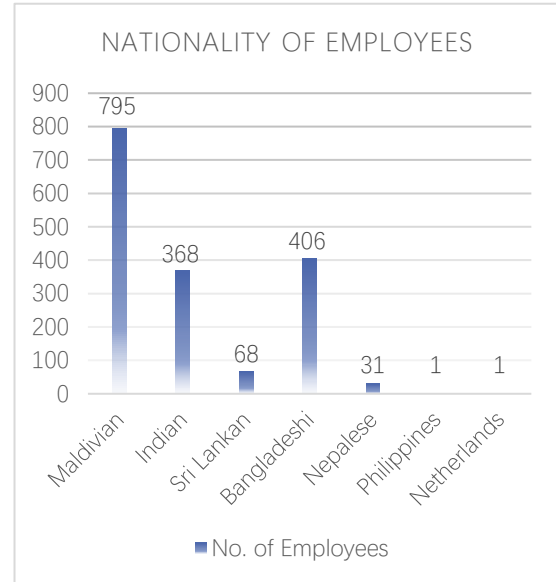
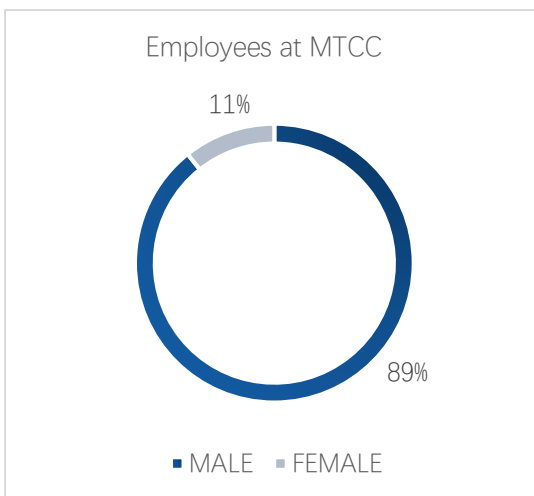
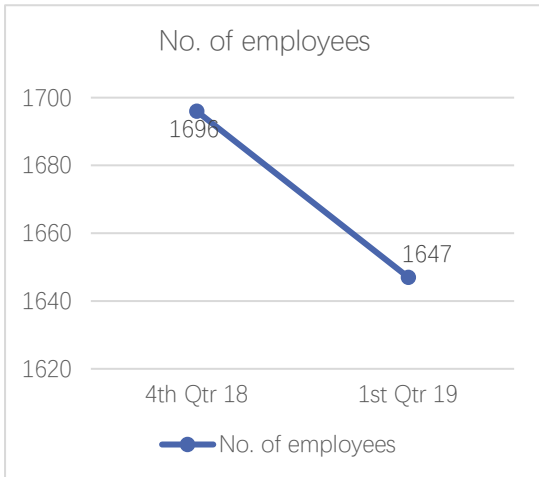
We also participated in the Inter Office Billiard Championship organized by the Billiard Association of Maldives, in which MTCC reached up to the quarter finals. objective of these events and activities is to foster and maintain friendly relationships and unity among the staff working at MTCC.

## MARKETING ACTIVITIES

During the 1<sup>st</sup> Quarter of 2019, MTCC organized various seminars and training programs for its Suzuki and Yanmar brands to educate customers on our engines and give them the knowledge on engine maintenance. We also participated in the Dubai International Boat Show 2019 to source and explore marine products and equipment by connecting directly to the international industry professionals.

# HUMAN DEVELOPMENT

By the end of the 1<sup>st</sup> Quarter of 2019, there were a total of 1647 staff employed at MTCC, which shows a 2.89% decrease in the number of employees compared to the 4<sup>th</sup> Quarter of 2018.



We are committed to effective employee training and development strategies to ensure that we have the adequate skills and expertise to drive our businesses.

We have always worked to ensure that our staff remains competent in their areas of work, with knowledge and expertise of the latest developments in their field. As such, during the last quarter a total of 100 staff were enrolled in various local and overseas training programs.

# BOARD ACTIVITIES

## BOARD OF DIRECTORS

The Board of Directors comprises of 07 directors. With respect to the shareholding of the Company 05 directors are appointed by the Government of Maldives and 02 directors are elected by the Public Shareholders at the Shareholder meeting.

Mr. Ahmed Abdullah and Ms. Nashima Abdul Latheef were removed from their position as Board Directors by Privatization and Corporatization Board on 6<sup>th</sup> February 2019, and Mr. Sinaan Ali and Mr. Abdulla Shairu were appointed as Board Directors by Privatization and Corporatization Board on the same day. On 11<sup>th</sup> February 2019, Mr. Mohamed Faheem was appointed by Privatization and Corporatization Board as a Non-Executive Board Director and Chairman of the Board. On 25<sup>th</sup> March 2019, Chief Operating Officer Mr. Shahid Hussain Moosa was appointed as an Executive Director by Privatization and Corporatization Board.

**Mr. Mohamed Faheem**  
Chairman  
Non- Executive Director  
(Government)

**Mr. Hassan Shah**  
Executive Director  
Chief Executive Officer  
(Government)

**Mr. Shahid Hussain Moosa**  
Executive Director  
Chief Operating Officer  
(Government)

**Mr. Sinaan Ali**  
Non- Executive Director  
(Government)

**Mr. Abdulla Shairu**  
Non- Executive Director  
(Government)

**Mr. Nasrath Mohamed**  
Non- Executive Director  
(Public)

**Mr. Mansoor Zubair**  
Non- Executive Director  
(Public)

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## BOARD MEETINGS

Frequency of board and committee meetings during the 1st Quarter are as follows;

04

Board Meeting

03

Audit & Risk Committee

00

CGC Committee Meeting

03

N&R Committee Meeting

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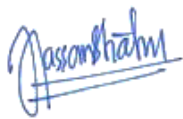
## BOARD DECISIONS

- Approved 4th Quarter Report of 2018
  - Endorsed Mr. Mohamed Faheem as an Independent Non-Executive Board Director and as Chairman of the Board
  - Endorsed Mr. Sinaan Ali and Mr. Abdulla Shairu as Independent Non-Executive Board Directors
  - Members were appointed to the following board committees
  - Appointed Mr. Shahid Hussain Moosa as Chief Operating Officer and as an Executive Board Director
  - Decision to provide free transportation service to school students within Male', Hulhumale and Villimale region.
-

# FINANCIAL STATEMENTS

## INCOME STATEMENT (UNAUDITED)

All amounts in MVR	1 <sup>st</sup> Quarter 2019	4 <sup>th</sup> Quarter 2018
Sales	210,994,512	377,734,904
Cost of sales	(214,188,025)	(308,148,954)
Gross profit	(3,193,513)	69,585,950
Selling and marketing costs	(2,719,680)	(7,693,574)
Administrative expenses	(29,668,949)	(40,256,237)
Other income	3,500,266	6,933,291
Other expenses	(2,361,492)	(10,496,380)
Operating profit	(34,443,368)	18,073,050
Finance costs	(10,755,661)	(8,314,902)
Profit before tax	(45,199,029)	9,758,148
Business profit tax	-	(3,736,083)
Profit after tax	(45,199,029)	13,494,231



Hassan Shah  
Chief Executive Officer



Mohamed Hilmy  
Chief Financial Officer



## BALANCE SHEET (UNAUDITED)

All amounts in MVR	1 <sup>st</sup> Quarter 2019	4 <sup>th</sup> Quarter 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	943,222,209	964,963,739
Financial investments	50,921,700	50,921,700
Intangible assets	12,725,844	12,787,588
Deferred Tax	53,189,401	53,189,401
Trade and Other Receivable	7,097,597	7,097,597
<b>Total non-current assets</b>	<b>1,067,156,751</b>	<b>1,088,960,025</b>
<b>Current assets</b>		
Inventories	204,572,647	208,106,245
Trade and other receivables	594,804,530	820,514,732
Cash and cash equivalents	23,956,503	57,904,904
<b>Total current assets</b>	<b>823,333,680</b>	<b>1,086,525,881</b>
<b>TOTAL ASSETS</b>	<b>1,890,490,431</b>	<b>2,175,485,906</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,188,745	40,188,745
Share Premium	173,151,693	173,151,693
General reserve	225,000,000	225,000,000
Fair value reserve	35,215,414	35,215,414
Advance received from shareholders	-	-
Retained earnings	415,969,187	461,168,216
<b>Reserves</b>	<b>849,336,294</b>	<b>894,535,323</b>
<b>TOTAL EQUITY</b>	<b>889,525,039</b>	<b>934,724,068</b>
<b>Liabilities</b>		
Borrowings	287,933,843	316,324,857
Employee Retirement Benefit	21,037,843	21,037,843
<b>Total non-current liabilities</b>	<b>308,971,686</b>	<b>337,362,700</b>
Trade and other payables	354,332,811	557,902,117
Borrowings	332,559,371	332,559,370
Bank overdrafts	5,101,524	12,937,651
<b>Total current liabilities</b>	<b>691,993,706</b>	<b>903,399,138</b>
<b>Total liabilities</b>	<b>1,000,965,392</b>	<b>1,240,761,838</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,890,490,431</b>	<b>2,175,485,906</b>



## CASH FLOW STATEMENT (UNAUDITED)

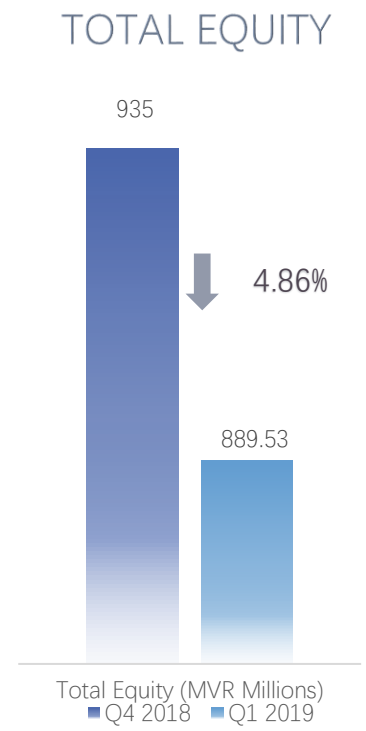
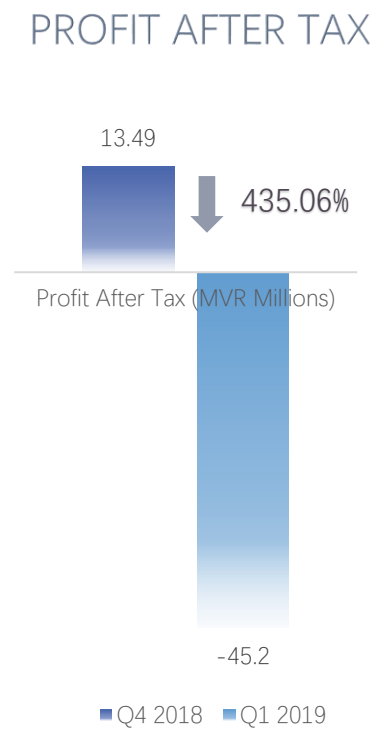
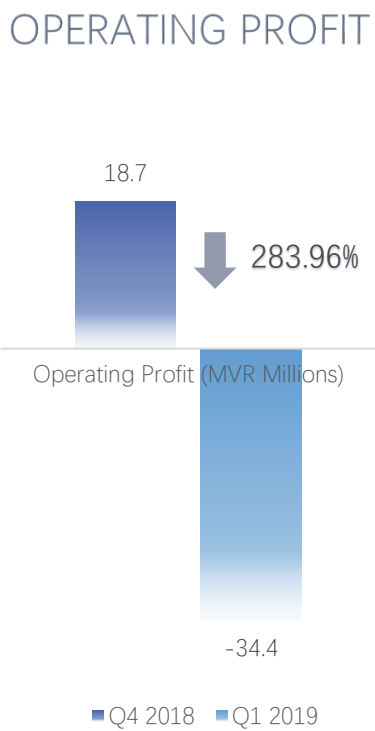
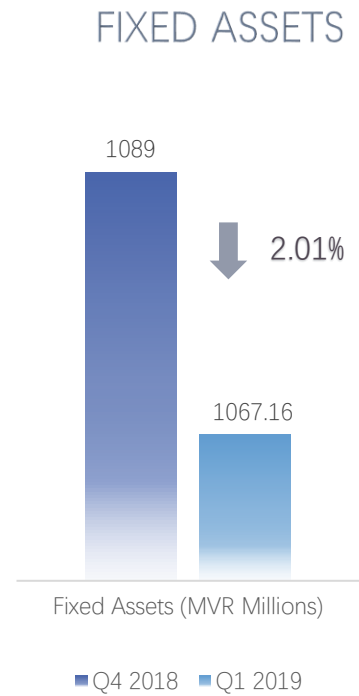
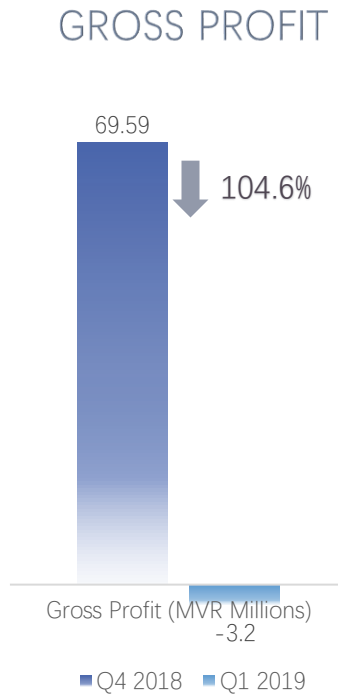
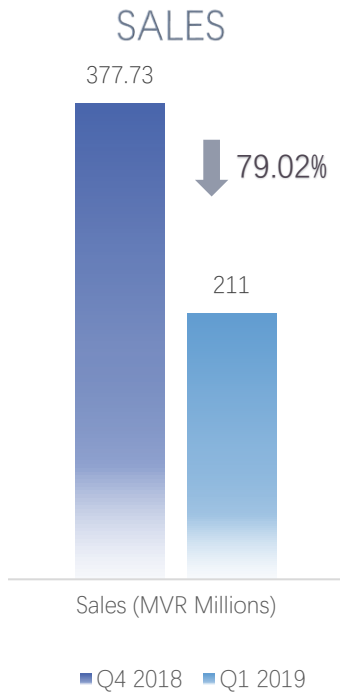
Figures in MVR	1 <sup>st</sup> Quarter 2019	4 <sup>th</sup> Quarter 2018
<b>Operating activities</b>		
Profit before tax for the period	(45,199,029)	9,758,148
<b>Adjustment for:</b>		
Depreciation & amortization	36,045,605	36,425,264
Provision for impairment of receivables	-	12,347,329
Dividend Income	-	(4,820,112)
Interest income	(55,532)	(815,734)
Interest expense	11,273,961	12,296,679
<b>Working capital adjustments</b>		
Decrease / (increase) in trade and other receivables	225,710,202	(153,992,140)
Decrease / (increase) in Inventories	3,533,598	65,821,879
(Decrease) / increase in trade and other payables	(203,269,846)	133,934,689
<b>Net cash flows from operating activities</b>	<b>28,038,959</b>	<b>110,956,002</b>
<b>Investing activities</b>		
Investments property plant & equipment	(14,242,331)	(63,475,048)
Dividend Received	-	4,820,112
Interest received	55,532	815,734
<b>Net cash flows used in investing activities</b>	<b>(14,186,799)</b>	<b>(57,839,202)</b>
<b>Financing activities</b>		
Proceeds from borrowings	-	(3,680,344)
Repayment of borrowings	(28,391,013)	(21,303,263)
Proceeds from rights issue of share capital	-	-
Interest paid	(11,273,961)	(12,296,679)
Dividend paid	(299,460)	(1,899,216)
<b>Net cash flows from financing activities</b>	<b>(39,964,434)</b>	<b>(39,179,502)</b>
Net change in cash and cash equivalents	(26,112,274)	13,937,298
Cash and cash equivalents, and bank overdrafts- B/F	44,967,253	31,029,955
<b>Cash and cash equivalents, and bank overdrafts – C/F</b>	<b>18,854,979</b>	<b>44,967,253</b>

## SEGMENTAL PERFORMANCE (UNAUDITED)

Period from 1st January – 31st March 2019	Total	Trading	Contracting	Dredging	Logistics	Transport	Engineering & Docking	Others
Revenue	210,994,512	63,694,359	77,137,457	42,128,983	1,833,721	22,896,558	3,303,434	-
Operating profit / (loss)	(34,443,368)	7,874,811	(6,510,717)	1,450,044	(6,632,025)	(12,458,832)	(1,714,192)	(16,452,457)
Finance income / (cost)	(10,755,661)	(877,801)	(2,206,708)	(6,359,089)	(896,039)	-	-	(416,024)
Profit / (loss) before tax	(45,199,029)	(6,997,010)	(8,717,425)	(4,909,045)	(7,528,064)	(12,458,832)	(1,714,192)	(16,868,481)
Business profit tax	-	-	-	-	-	-	-	-
Profit / (loss) after tax	(45,199,029)	(6,997,010)	(8,717,425)	(4,909,045)	(7,528,064)	(12,458,832)	(1,714,192)	(16,868,481)

Period from 1 <sup>st</sup> October – 31 <sup>st</sup> December 2018	Total	Trading	Contracting	Dredging	Logistics	Transport	Engineering & Docking	Others
Revenue	377,734,904	72,775,852	204,689,644	64,180,509	9,316,157	23,174,172	3,598,570	-
Operating profit / (loss)	18,073,050	5,731,766	46,752,653	8,757,176	(1,203,651)	(30,472,230)	1,150,160	(12,642,824)
Finance income / (cost)	(8,314,902)	(1,061,687)	(2,869,457)	(3,156,992)	(1,082,680)	-	-	(144,086)
Profit / (loss) before tax	9,758,148	4,670,079	43,883,196	5,600,184	(2,286,331)	(30,472,230)	1,150,160	(12,786,910)
Business profit tax	3,736,083	-	-	-	-	-	-	3,736,083
Profit / (loss) after tax	13,494,231	4,670,079	43,883,196	5,600,184	(2,286,331)	(30,472,230)	1,150,160	(9,050,827)

# FINANCIAL HIGHLIGHTS



## OUR SHARE

Trading of the Company shares at Maldives Stock Exchange include nine transactions, during the 1<sup>st</sup> quarter. The last trading activity was carried out on 31<sup>st</sup> March 2019 at MVR 38.00.

The Dividend yield for MTCC Share is being calculated based on dividend value of MVR 2.60 approved by the Shareholders in 2017 Annual General Meeting.

	1 <sup>st</sup> Quarter 2019	4 <sup>th</sup> Quarter 2018
Lowest traded price (MVR)	16	45
Highest traded price (MVR)	45	46
Last traded price (MVR)	38	45
Weighted average traded price (MVR)	18.62	45.36
No. of shares traded	6514	440
Market capitalization (MVR millions)	305	361.70
Dividend Yield	6.84%	5.78%
Earnings per share (MVR)	(5.623)	0.37
Price Earnings Ratio	(6.76)	122.48

# DECLARATION

## CORPORATE GOVERNANCE CODE AND LISTING RULES COMPLIANCE

The Company follows the Corporate Governance Code, Listing Rules, CDOI regulation and Securities Act. The Company complies with the provisions of its internal policies and procedures and other applicable rules and regulations and operate the company in fair and transparent manner.

## RULES OF REPORTING

This Report has been prepared in compliance with CMDA's Minimum Quarterly Reporting Requirements for Listed Companies. The 1<sup>st</sup> quarter report of 2019 includes the milestones achieved during the quarter.

It also includes the share activities at the Maldives Stock Exchange and discloses all information obligated by the Continuing Disclosure Obligations of Issuers of the Capital Market Development Authority.

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