

**Q2** April - June 2017

# CONTENTS

SUMMARY OF RESULTS.....	2
KEY DEVELOPMENTS.....	2
HUMAN DEVELOPMENT.....	3
CLUB MTCC.....	4
BOARD ACTIVITIES .....	5
FINANCIAL STATEMENTS.....	6
OUR SHARE .....	10
DECLARATION.....	11



## SUMMARY OF RESULTS

During the second quarter, the Company has managed to post a significant growth in revenue and the net profit compared to the previous quarter. This has been achieved by mobilizing additional resources to various construction projects and by speeding up the sourcing process. As a result, the total revenue has increased by 11% compared to the previous quarter. Despite the significance of the increase in revenue gross profit margin has declined marginally mainly due to price escalation and additional costs incurred to speed up the projects.

While selling & marketing expenses have nearly doubled compared to the first quarter, administrative expenses have remained constant except for the slight increase in staff costs incurred because of Ramadan related allowances. Further gains made in financing costs have completely offset the burden of increase in selling & marketing expenses and administrative expenses.

Coupled with gains in net earnings the financial position of the Company has become stronger compared to the previous quarter while maintaining a stable current asset ratio and a quick assets ratio.

During the quarter ended 30 June 2017, the company made Investments in capital assets

amounting MVR 30 million while loans equivalent to MVR 9.2 million was repaid, thereby contributing a significant improvement in gearing ratio in the second quarter.

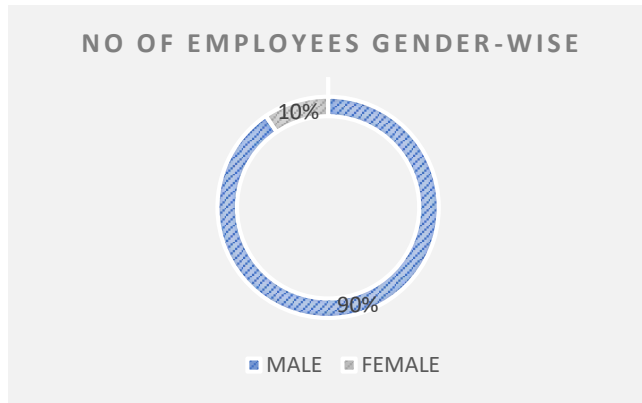
## KEY DEVELOPMENTS

Key developments in our business and service sectors during the quarter includes:

- During the quarter, a total of 61 construction projects were managed by the Company out of which physical work was carried at 50 projects. 05 projects were successfully completed in the quarter.
- Significant projects carried during the quarter include, the development of Male' Industrial Village, Sultan Park Redevelopment, Gdh.Thinadhoo Museum and Park Project.
- Product promotion and marketing trips were made to Lhaviyani Atoll, apart from this marketing trips were also made to some resorts to build relations with current and prospectus customers.
- Sales promotion for Scott Bader products under the name "Gadha Resin" Promo 2017 was held in the quarter.
- The company invested on new vehicles to further enhance and expand the private hire taxi service in Hulhmale'.

# HUMAN RESOURCE DEVELOPMENT

The total number of employees increase from 1535 to 1654 by the end of 2<sup>nd</sup> Quarter 2017.



Training and development of staff is one of the Company's core values. 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 81 staff were enrolled in various local training programs while 08 staff underwent short term trainings abroad.

## CLUB MTCC

Club MTCC took part in Coca Cola Long run held on 14th April 2017 at Hulhumale. As MTCC is an associate partner of the LONG RUN, TFG provided a 9 weeks “free” training for MTCC staff to compete a 5km, 10km and Half Marathon run. A total 60 staff’s from MTCC took part in the trainings.

A blood donation program under the name of “Every drop saves, every drop matters” was held in association with Maldivian Blood Donors and Maldives Blood Services on 29th April 2017 at MTCC Sawmill. The aim of the program is to assist those in need of blood. A total of 139 donors donated blood during this one-day event.

Club MTCC participated a CSR event name ‘Saafu Hulhumale, Ahararemenge Hulhumale’ to clean Hulhumale’ organized by HDC on 20th May 2017. 22 staffs from MTCC participated this event.

The Club also took part in Autism Run organized by Autism Association on 2nd April 2017 at Rasfannu. 30 runners from MTCC took part in the event.

## BOARD ACTIVITIES

The Board of Directors comprises of 10 directors. With respect to the shareholding of the Company 06 directors are appointed by the Government of Maldives and 04 directors are elected by the Public Shareholders at the Shareholder meeting.

Mr. Mohamed Imran Adnan, a public shareholder appointed directors resigned effective from 22<sup>nd</sup> June 2017.

A Special General Meeting of the Company was held on the 18<sup>th</sup> of May 2017. Amendments proposed to the Articles of Association was approved by the Shareholders in the meeting.

### BOARD OF DIRECTORS

Name	Position in Board
Mr.Ahmed Niyaz	Chairman
Mr.Ibrahim Ziyath	Chief Executive Officer
Mr.Ahmed Abdulla	Non- Executive Director
Mr.Hassan Muneer	Non- Executive Director
Mr.Ahmed Kurik Riza	Executive Director
Ms.Nashima Abdul Latheef	Non- Executive Director
Mr.Ahmed Aboobakuru	Non- Executive Director
Mr.Nasrath Mohamed	Non- Executive Director
Mr.Fathulla Ismail	Non- Executive Director

### BOARD MEETINGS

Frequency of board and committee meetings are as follows;

	No. of meetings
Board Meeting	06
Audit & Risk Committee	07
N&R Committee	00
CGC Committee	01

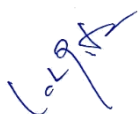
### BOARD DECISIONS

- Approved the unaudited Financial Statements for the 1<sup>st</sup> Quarter of 2017.
- Approved amendments to Memorandum of Association & Article of Association, and be submitted for shareholder approval at SGM 2017.
- Approved the financial statement of 2016 and appointed signatories to sign the statements, and be submitted for shareholder approval at AGM 2016.
- Approved dividend of MVR 24.00 for the financial year 2016, and be submitted for shareholder approval at AGM 2016.
- Approved the Annual Report 2016, and be submitted for shareholder approval at AGM 2016.
- Approved to submit for shareholder approval, the loan acquired to finance the dredger to an equity convertible loan at the AGM 2016.
- Approved share split with a ratio of 1:10 and rights issue offering of 1:1, and be submitted for shareholder approval at AGM 2016.

# FINANCIAL STATEMENTS

## INCOME STATEMENT (UNAUDITED)

All amounts in MVR	2nd Quarter 2017	1st Quarter 2017
Sales	341,594,041	306,899,294
Cost of sales	(271,893,827)	(255,869,791)
<b>Gross profit</b>	<b>69,700,214</b>	<b>51,029,503</b>
Selling and marketing costs	(4,681,012)	(2,355,610)
Administrative expenses	(32,017,099)	(29,656,160)
Other income	1,483,385	1,172,282
Other expenses	(2,061,139)	(1,812,320)
<b>Operating profit</b>	<b>32,424,349</b>	<b>18,377,695</b>
Finance costs	(3,501,915)	(11,519,470)
<b>Profit before tax</b>	<b>28,922,434</b>	<b>6,858,225</b>
<b>Business profit tax</b>	<b>(4,338,365)</b>	<b>(1,028,734)</b>
<b>Profit after tax</b>	<b>24,584,069</b>	<b>5,829,491</b>



Ibrahim Ziyath  
Chief Executive Officer



Mohamed Hilmy  
Chief Financial Officer



## BALANCE SHEET (UNAUDITED)

All amounts in MVR	2nd Quarter 2017	1st Quarter 2017
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	296,210,099	300,571,853
Capital work in progress	39,385,489	28,698,857
Financial investments	39,966,900	39,966,900
Intangible assets	657,149	778,170
Deferred Tax	5,017,392	5,017,392
Trade and Other Receivable	14,590,127	13,159,273
<b>Total non-current assets</b>	<b>395,827,156</b>	<b>388,192,445</b>
<b>Current assets</b>		
Inventories	204,616,197	235,820,602
Trade and other receivables	794,538,854	742,283,535
Cash and cash equivalents	85,730,310	26,297,056
<b>Total current assets</b>	<b>1,084,885,361</b>	<b>1,004,401,193</b>
<b>TOTAL ASSETS</b>	<b>1,480,712,517</b>	<b>1,392,593,638</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	25,000,000	25,000,000
General reserve	225,000,000	225,000,000
Fair value reserve	30,475,099	30,475,099
Retained earnings	372,039,024	347,454,955
<b>Reserves</b>	<b>627,514,123</b>	<b>602,930,054</b>
<b>TOTAL EQUITY</b>	<b>652,514,123</b>	<b>627,930,054</b>
<b>Liabilities</b>		
Borrowings	43,762,667	54,371,508
<b>Total non-current liabilities</b>	<b>43,762,667</b>	<b>54,371,508</b>
Trade and other payables	603,715,703	541,802,970
Borrowings	162,147,839	160,740,938
Bank overdrafts	18,572,185	7,748,168
<b>Total current liabilities</b>	<b>784,435,727</b>	<b>710,292,076</b>
<b>Total liabilities</b>	<b>828,198,394</b>	<b>764,663,584</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,480,712,517</b>	<b>1,392,593,638</b>





## CASH FLOW STATEMENT (UNAUDITED)

Figures in MVR	2nd Quarter 2017	1st Quarter 2017
<b>Operating activities</b>		
Profit before tax for the period	28,922,434	6,858,225
<b>Adjustment for:</b>		
Depreciation & amortization	24,502,051	25,085,532
Provision for impairment of receivables	1,000,000	-
Provision for inventory	-	123,986
Interest expense	4,192,477	4,811,976
<b>Working capital adjustments</b>		
Decrease / (increase) in trade and other receivables	(54,686,173)	96,075,699
Decrease / (increase) in Inventories	31,204,405	2,923,164
(Decrease) / increase in trade and other payables	57,804,945	(101,453,832)
<b>Net cash flows from operating activities</b>	<b>92,940,139</b>	<b>34,424,750</b>
<b>Investing activities</b>		
Purchase of property plant & equipment	(20,019,276)	(9,228,536)
Expenditure on capital work-in-progress	(10,686,632)	(13,909,512)
<b>Net cash flows used in investing activities</b>	<b>(30,705,908)</b>	<b>(23,138,048)</b>
<b>Financing activities</b>		
Proceeds from borrowings	-	15,448,236
Repayment of borrowings	(9,201,940)	(5,501,821)
Interest paid	(4,192,477)	(4,811,976)
Dividend paid	(230,577)	(159,386)
<b>Net cash flows from financing activities</b>	<b>(13,624,994)</b>	<b>4,975,053</b>
Net decrease in cash and cash equivalents	48,609,237	16,261,755
Cash and cash equivalents, and bank overdrafts- Opening	18,548,888	2,287,133
<b>Cash and cash equivalents, and bank overdrafts – Closing</b>	<b>67,158,125</b>	<b>18,548,888</b>



## SEGMENTAL PERFORMANCE (UNAUDITED)

Period from 1 <sup>st</sup> April – 30 <sup>th</sup> June 2017	Total	Trading	Contracting	Dredging	Logistics	Transport	Engineering & Docking	Others
Revenue	341,594,041	57,196,944	223,424,300	13,674,552	12,151,340	34,142,932	325,896	678,077
Operating profit / (loss)	32,424,349	6,941,919	49,344,085	3,018,947	2,766,198	(13,741,472)	756,246	(16,661,574)
Finance income / (cost)	(3,501,915)	(979,604)	(1,496,790)	-	(691,637)	(591,767)	-	257,883
<b>Profit / (loss) before tax</b>	<b>28,922,434</b>	<b>5,962,315</b>	<b>47,847,295</b>	<b>3,018,947</b>	<b>2,074,561</b>	<b>(14,333,239)</b>	<b>756,246</b>	<b>(16,403,691)</b>
Business profit tax	(4,338,365)	-	-	-	-	-	-	(4,338,365)
<b>Profit / (loss) after tax</b>	<b>24,584,069</b>	<b>5,962,315</b>	<b>47,847,295</b>	<b>3,018,947</b>	<b>2,074,561</b>	<b>(14,333,239)</b>	<b>756,246</b>	<b>(20,742,056)</b>
<b>Period from 1<sup>st</sup> January – 31<sup>st</sup> March 2017</b>	<b>Total</b>	<b>Trading</b>	<b>Contracting</b>	<b>Dredging</b>	<b>Logistics</b>	<b>Transport</b>	<b>Engineering &amp; Docking</b>	<b>Others</b>
Revenue	306,899,294	57,606,729	176,108,656	27,265,516	10,687,375	33,787,992	883,887	559,139
Operating profit / (loss)	18,377,695	15,361,049	18,693,721	6,700,021	3,201,446	(10,603,967)	675,213	(15,649,788)
Finance income / (cost)	(11,519,470)	(1,460,472)	(1,527,257)	-	(1,045,034)	(380,711)	-	(7,105,996)
<b>Profit / (loss) before tax</b>	<b>6,858,225</b>	<b>13,900,577</b>	<b>17,166,464</b>	<b>6,700,021</b>	<b>2,156,412</b>	<b>(10,984,678)</b>	<b>675,213</b>	<b>(22,755,784)</b>
Business profit tax	(1,028,734)	-	-	-	-	-	-	(1,028,734)
<b>Profit / (loss) after tax</b>	<b>5,829,491</b>	<b>13,900,577</b>	<b>17,166,464</b>	<b>6,700,021</b>	<b>2,156,412</b>	<b>(10,984,678)</b>	<b>675,213</b>	<b>(23,784,518)</b>



## OUR SHARE

There were two trading activity of the Company shares at Maldives Stock Exchange during the 2nd quarter where total of 76 shares of the company was traded. The last trading activity was carried out on 20<sup>th</sup> April 2017 at MVR 155.00.

The Dividend yield for MTCC Share is being calculated based on dividend value of MVR 32.00 approved by the Shareholders in 2015 Annual General Meeting.

	2 <sup>nd</sup> Quarter, 20	1 <sup>st</sup> Quarter, 2017
Lowest traded price (MVR)	155	300
Highest traded price (MVR)	200	300
Last traded price (MVR)	155	300
Weighted average traded price (MVR)	199.41	300
No. of shares traded	76	28
Market capitalization (MVR millions)	77.50	150.00
Dividend Yield	20.65	10.67%
Earnings per share (MVR)	49.17	11.66
Price Earnings Ratio	3.15	25.73



# 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 2nd quarter report of 2017 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.

The Company Published its Annual Report on 30<sup>th</sup> April 2017 as stipulated in the Continuing Disclosure Obligation of Issuers and Listing Rules of MSE.

## Maldives Transport and Contracting Complany

 7th Floor, MTCC Tower, Boduthakurufaanu Magu, Male'

 +960 3326822

 +960 3323221

 [info@mtcc.com.mv](mailto:info@mtcc.com.mv)

 [www.mtcc.com.mv](http://www.mtcc.com.mv)

