



Q3

July – September 2017

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SUMMARY OF RESULTS

Despite the significance of fall in revenue compared to the same quarter last year, the bottom line has improved significantly with a 20% growth largely contributed by gains in gross margin and financing costs.

The term loans funded by Caterpillar Finance USA and IHC Hollands equal to MVR 416.89 million has been accounted under long and short-term borrowings, which in turn has significantly pushed the gearing ratio up to 88.89% from 37.24% while working capital ratios remained relatively constant over the year.

Additionally, Investments made in the Dredger “Mahaa Jarrafu” from the overseas loans have been accounted as capital work-in-progress during the quarter ended 30 September 2017 and the down payment made in 2015 against the dredger “Mahaa Jarrafu” equal to MVR 141.2 million also been transferred from other receivables to capital work in progress during the quarter ended 30 September 2017, which would subsequently be reclassified as property, plant and equipment once the dredging operation commences.

The quarterly report also reflects the effect of the AGM resolution to convert the short terms loan amounting to MVR169.6 received from the Government of Maldives to a convertible loan. It is anticipated that this convertible loan will be fully converted to ordinary shares upon allotment of the ongoing rights issue which is expected to be completed by end of the first quarter of 2018

Additional capital Investments of MVR 72.9 million was made in capital assets during third quarter 2017 from operating cash flows and external funding from commercial banks.

KEY DEVELOPMENTS

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

- 1) The 2016 Annual General Meeting of Maldives Transport and Contracting Company Plc was held on 29th August 2017 at Dharubaaruge.

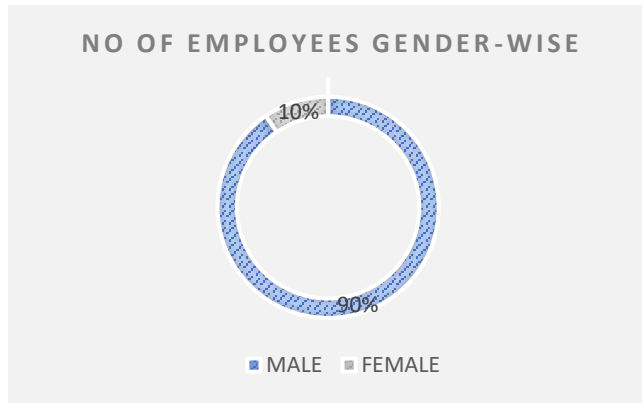
The following was approved by the shareholders in the meeting.

- Minutes of the Annual General Meeting 2016.
- Minutes of the Special General Meeting held on 18th May 2017.
- Directors Report 2016
- Audited financial statements for the year 2016.
- A dividend of MVR 24/- for each ordinary share (face value MVR 50/-)
- KPMG was selected as the external Auditors for 2017 for an Audit fee of MVR363,333.33.
- Appointment of Directors
- Approval to convert USD 11million dollar loan by the Government of Maldives to Equity Convertible Loan.
- Splitting of face value MVR 50 ordinary share of the company at 1:10 ratio.

- Amendment to the Memorandum of Association of the Company reflecting the share split.
 - Approval to proceed with a Rights Issue.
 - Amendment to the Articles of Association of the Company.
- During the quarter, a total of 51 construction projects were managed by the Company out of which physical work was carried at 47 projects. 05 projects were successfully completed in the quarter.
- Value was added to our docking facility with the installation and commencement of docking service with 200-ton boat hoist.
 - Exhibit at Travel and Trade Maldives 2017, Maldives Marine Expo 2017, Guest House Maldives Conference 2017,
 - Sales promotion of our Marine Products under the name “JunJulaa Promo” was held in the quarter.
 - “Saabas Yanmar” a promotion dedicated to our Yanmar Engines was also carried out in the quarter.

HUMAN RESOURCE DEVELOPMENT

The total number of employees increase from 1688 to 1721 by the end of 3rd 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 212 staff were enrolled in various local training programs while 22 staff underwent short term trainings abroad.

In order to attract the best talent to the company participated in "Vazeefa Yageen" job fairs, held in Villingili and Hulhumale'.

CLUB MTCC

“Villi Mu’assasa Futsal Tournament”, a tournament organized by Club MTCC was held from 13th July – 10th August 2017, at Villingli. A total of 9 teams from different institutions participated in this tournament.

Club MTCC works towards fostering employee engagement and building relationships. Two events was held during the quarter assisting to achieve this objective. The Annual Fishing Competition “Mas Foari 2017”, participating 15 teams and Park Volley Tournament 2017, participating 19 teams from departments of the Company.

BOARD ACTIVITIES

According to the newly amended Articles of Association of the Company at the 2016 Annual General Meeting, the Board of Directors comprises of 07 directors, but will be effective from the next general meeting. Hence the current composition of the board of directors will be with respect to the shareholding of the company totaling to 10 directors. Mr.Mansoor Zubair, Mr.Mohamed Farshath Ms.Aishath Fazeena and Mr.Nasrath Mohamed was elected as Directors representing the public shareholders of the company at the 2016 Annual General 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.Mansoor Zubair	Non- Executive Director
Mr.Nasrath Mohamed	Non- Executive Director
Ms.Aishath Fazeena	Non- Executive Director
Mr.Mohamed Farshath	Non- Executive Director

BOARD MEETINGS

Frequency of board and committee meetings are as follows;

	No. of meetings
Board Meeting	04
Audit & Risk Committee	03
N&R Committee	02
CGC Committee	00

BOARD DECISIONS

- Approved the unaudited Financial Statements for the 2nd Quarter of 2017.
- Approved amendments to Memorandum of Association & Article of Association, and be submitted for shareholder approval at AGM 2016.
- Approved to submit the Minutes of Special General Meeting 2017 to AGM 2016.
- Approved the names of candidates for public directorship nomination at AGM 2016.
- Approved the name of external auditors for the year 2017 for AGM 2016.
- Reviewed the reports of Audit Committee recommending new internal controls based on the internal audits.
- Endorsed Mr.Ahmed Niyaz as Chairman of the board and Mr.Ibrahim Ziyath as CEO of the Company after reappointment at the AGM 2016.
- Approved Chairman's Charter, CEO's Charter and Directors Charter.
- Formation of new board committees after AGM 2016.

FINANCIAL STATEMENTS

INCOME STATEMENT (UNAUDITED)

All amounts in MVR	3rd Quarter 2017	2nd Quarter 2017
Sales	264,650,687	341,594,041
Cost of sales	(205,963,175)	(271,893,827)
Gross profit	58,687,512	69,700,214
Selling and marketing costs	(4,802,414)	(4,681,012)
Administrative expenses	(32,774,847)	(32,017,099)
Other income	6,442,491	1,483,385
Other expenses	(3,447,497)	(2,061,139)
Operating profit	24,105,245	32,424,349
Finance costs	(3,605,601)	(3,501,915)
Profit before tax	20,499,644	28,922,434
Business profit tax	(3,074,947)	(4,338,365)
Profit after tax	17,424,697	24,584,069



Ibrahim Ziyath
Chief Executive Officer



Mohamed Hilmy
Chief Financial Officer



BALANCE SHEET (UNAUDITED)

All amounts in MVR	3rd Quarter 2017	2nd Quarter 2017
ASSETS		
Non-current assets		
Property, plant and equipment	343,690,908	296,210,099
Capital work in progress	613,429,438	39,385,489
Financial investments	39,966,900	39,966,900
Intangible assets	567,428	657,149
Deferred Tax	5,017,392	5,017,392
Trade and Other Receivable	10,280,560	14,590,127
Total non-current assets	1,012,952,626	395,827,156
Current assets		
Inventories	221,406,361	204,616,197
Trade and other receivables	659,114,774	794,538,854
Cash and cash equivalents	84,449,973	85,730,310
Total current assets	964,971,108	1,084,885,361
TOTAL ASSETS	1,977,923,734	1,480,712,517
EQUITY AND LIABILITIES		
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
Equity loan from Government	169,620,000	372,039,024
Retained earnings	377,463,722	-
Reserves	802,558,821	627,514,123
TOTAL EQUITY	827,558,821	652,514,123
Liabilities		
Borrowings	406,110,026	43,762,667
Total non-current liabilities	406,110,026	43,762,667
Trade and other payables	414,755,421	603,715,703
Borrowings	329,499,466	162,147,839
Bank overdrafts	-	18,572,185
Total current liabilities	744,254,887	784,435,727
Total liabilities	1,150,364,913	828,198,394
TOTAL EQUITY AND LIABILITIES	1,977,923,734	1,480,712,517

CASH FLOW STATEMENT (UNAUDITED)

Figures in MVR	3rd Quarter 2017	2nd Quarter 2017
Operating activities		
Profit before tax for the period	20,499,644	28,922,434
Adjustment for:		
Depreciation & amortization	25,528,933	24,502,051
Provision for impairment of receivables	1,000,000	1,000,000
Provision for inventory	-	-
Interest expense	4,307,141	4,192,477
Working capital adjustments		
Decrease / (increase) in trade and other receivables	(2,470,353)	(54,686,173)
Decrease / (increase) in Inventories	(16,790,164)	31,204,405
(Decrease) / increase in trade and other payables	(34,228,606)	57,804,945
Net cash flows from operating activities	(2,153,405)	92,940,139
Investing activities		
Purchase of property plant & equipment	(72,920,021)	(20,019,276)
Expenditure on capital work-in-progress	(432,839,949)	(10,686,632)
Net cash flows used in investing activities	(505,759,970)	(30,705,908)
Financing activities		
Proceeds from borrowings	538,435,357	-
Repayment of borrowings	(8,736,371)	(9,201,940)
Interest paid	(4,307,141)	(4,192,477)
Dividend paid	(186,662)	(230,577)
Net cash flows from financing activities	525,205,223	(13,624,994)
Net decrease in cash and cash equivalents	17,291,848	48,609,237
Cash and cash equivalents, and bank overdrafts- Opening	67,158,125	18,548,888
Cash and cash equivalents, and bank overdrafts – Closing	84,449,973	67,158,125



SEGMENTAL PERFORMANCE (UNAUDITED)

Period from 1 st July – 30 th September 2017	Total	Trading	Contracting	Dredging	Logistics	Transport	Engineering & Docking	Others
Revenue	264,650,687	54,363,713	154,245,214	15,149,762	4,941,580	34,929,375	342,962	678,081
Operating profit / (loss)	24,105,245	5,501,761	36,276,565	2,866,058	3,058,242	(10,097,211)	(1,269,514)	(12,230,656)
Finance income / (cost)	(3,605,601)	(1,411,747)	(1,369,354)	-	(911,643)	(171,351)	-	258,494
Profit / (loss) before tax	20,499,644	4,090,014	34,907,211	2,866,058	2,146,599	(10,268,562)	(1,269,514)	(11,972,162)
Business profit tax	(3,074,947)	-	-	-	-	-	-	(3,074,947)
Profit / (loss) after tax	17,424,697	4,090,014	34,907,211	2,866,058	2,146,599	(10,268,562)	(1,269,514)	(15,047,109)
Period from 1st April – 30th 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
Profit / (loss) before tax	28,922,434	5,962,315	47,847,295	3,018,947	2,074,561	(14,333,239)	756,246	(16,403,691)
Business profit tax	(4,338,365)	-	-	-	-	-	-	(4,338,365)
Profit / (loss) after tax	24,584,069	5,962,315	47,847,295	3,018,947	2,074,561	(14,333,239)	756,246	(20,742,056)



OUR SHARE

There were no trading activity of the Company shares at Maldives Stock Exchange during the 3rd quarter. The last trading activity was carried out on 20th April 2017 at MVR 155.00.

The Dividend yield for MTCC Share is being calculated based on dividend value of MVR 24.00 approved by the Shareholders in 2016 Annual General Meeting.

	3rd Quarter, 2017	2nd Quarter, 2017	1 st Quarter, 2017
Lowest traded price (MVR)	-	155	300
Highest traded price (MVR)	-	200	300
Last traded price (MVR)	155	155	300
Weighted average traded price (MVR)	-	199.41	300
No. of shares traded	-	76	28
Market capitalization (MVR millions)	77.50	77.50	150.00
Dividend Yield	15.48%	20.65%	10.67%
Earnings per share (MVR)	34.85	49.17	11.66
Price Earnings Ratio	4.45	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 3rd 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 2016 Annual General Meeting of the Company was held on 29th August 2017.

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