



Q4

October – December 2017

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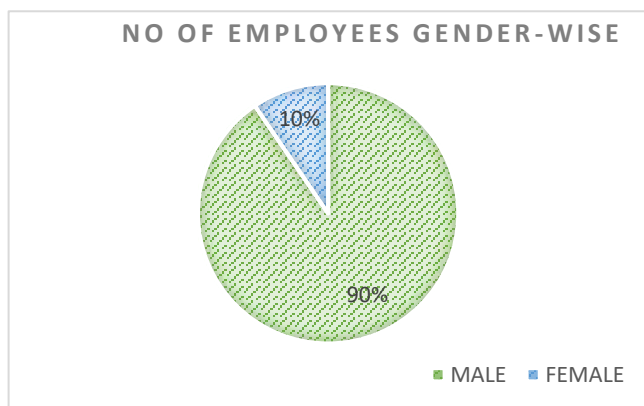
KEY DEVELOPMENTS

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

- A rights issue offering was opened to the Company's Shareholder. Subscription of the offer was carried from 19th October to 31st December 2017.
- MTCC's Trailing Suction Hopper Dredger "Mahaa Jarraafu" was officially unveiled by His Excellency President Abdulla Yameen Abdul Gayoom at a special ceremony held in Hdh.Kulhudhuffushi on 12th November 2017. The first project by Mahaa Jarraafu, "Hdh.Kulhudhuffushi Airport Reclamation" projects was also inaugurated at this ceremony by the president.
- During the quarter, a total of 34 construction projects were managed by the Company out of which physical work was carried at 34 projects. 12 projects were successfully completed in the quarter.
- MTCC took part in the 2017 Fisherman's Day event held in Ha.lhavandhoo and was the Gold sponsor of the event held from 15th to 17th December 2017. A Product seminar was conducted in conjunction with Fisherman's Day.
- Saabas Yanmar Promotion 2017 launched on 01st August 2017 was concluded on 31st December 2017.

HUMAN RESOURCE DEVELOPMENT

The total number of employees stands at 1742 by the end of 4th 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 213 staff were enrolled in various local training programs while 32 staff underwent short term trainings abroad.

CLUB MTCC

Club MTCC took part in Government Office / Company 3rd badminton championship 2017 men's division this year as well. The tournament was organized by Badminton association of Maldives. A total of 15 teams took part in the Inter Office Badminton Tournament which was carried out from the 19th October 2017 to 30th October 2017 MTCC team went quarter final against Maldives National Defense Force (MNDF) and lost the match from MNDF.

Club MTCC conducted a Try Scuba Diver Experience Program for the first time with total of 40 staff. The event organized by Scuba Center Maldives was held from 13th to 14th October 2017.

BOARD ACTIVITIES

BOARD OF DIRECTORS

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. There were no changes to the board of directors during the fourth quarter

| 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 | 05 |
| Audit & Risk Committee | 09 |
| N&R Committee | 02 |
| CGC Committee | 01 |

BOARD DECISIONS

- Endorsed the Chairpersons of Audit and Risk Committee, Nomination and Remuneration Committee and Corporate Governance and Compliance Committee.
- Created the post of Chief Internal Auditor of the company and endorsed the newly appointed Chief Internal Auditor.
- Approved the 3rd Quarter 2017 report.
- Approved the “Hiyaa Housing Project”, under the government initiative to provide housing to civil servants and employees of state owned companies.
- Approved the revised organization structure of the Company.

FOURTH-QUARTER 2017 FINANCIAL REVIEW

Fourth-Quarter Highlights:

Sales of MVR 385.19 million; marginal decline of just above 1% year-on-year

Gross profit of MVR 133.46 million; up by more than 52.06% year-on-year

Operating profit of MVR 84.24 million; up by 89.55% year-on-year

Profit after tax of MVR 67.41 million; up by 65.16% year-on-year

Full-Year Highlights:

Sales of MVR 1,298.33 million; Up by less than 1% year-on-year

Gross profit of MVR 312.88 million; up by 7.52% year-on-year, resulting in a significant improvement in gross margin as a percentage of Sales.

Operating profit of MVR 159.15 million; down by 1% year-on-year, contributed mainly due to increases in administration expenses, and selling & marketing expenses.

Profit after tax of MVR 115 million; MVR 114 million previous year, including a subsidy of MVR 6.9 million.

Year-on-year growth in profit after tax excluding government subsidy; up by MVR 7.7 million.

Fourth Quarter Results

Fourth quarter earnings per share were MVR 13.48, a growth of more than 65% versus the fourth quarter of 2016.

Despite a marginal decline in sales, total gross profit and operating profit have grown significantly during the fourth-quarter compared to the same period last year.

This remarkable result has been achieved mainly because of additional revenue recognized from Contracting segment. Further, a small gain was made from Logistics segment mainly by providing logistics support for Construction projects undertaken by the Company.

However, unexpected drop in sales from Trading, Engineering & docking, coupled with slow performance from dredging arising from breakdown of ageing dredging equipment have largely offset the significance of the gains made from Contracting sector.

Despite the slowdown in turnover and earnings in most of the segments, the Company has managed to post a record earning of MVR67 million for the quarter, a growth of 65% year-on-year.

Full Year Results

Full year earnings per share were MVR 23.05, a growth of 0.7% year-on-year. Sales from Trading was MVR 228.89 million, down by 14.4%, and Dredging was MVR 88.45 million, down by 3.43%. While Sales from Contracting with MVR 797.6 million grew by 2.80%, logistics MVR 35.13 million up by 52.13%, Docking MVR 3.14 million, up by more than 150%. With these results, the total sales reached to MVR 1,298 million, a record high earning, up by 0.26% year-on-year.

Decline in sales from Trading and Dredging and increase in operating expenses of logistics has stalled the remarkable gains made from Contracting which exceeded a growth of MVR 86.98 million, up by 71.22% year-on-year. Increasing losses from Transport segment accumulating to MVR 50.78 million, up by 60% year-on-year has also contributed to the slowdown in the combined earnings growth for the year.

Offset by losses and decline in profit highlighted above the Company managed to post a record profit after tax of MVR 115.25 million in 2017 versus MVR 114.46 million in 2016.

Outlook for 2018

Encouraged by robust earnings from Contracting and positive prospect for growth in other major segments such as Trading, Logistics and Docking, the Company aims to expand the business and accelerate the growth in Sales and net earnings in 2018 and beyond.

It should also be noted that the, first quarter of 2018 will also see a significant change in the capital structure of the Company following the allotment of new shares issued through the rights issue offered from October to December 2017.



FINANCIAL STATEMENTS

INCOME STATEMENT (UNAUDITED)

| All amounts in MVR | QUARTER ENDING | | YEAR ENDING | |
|-----------------------------|----------------------------------|---------------------|--------------------------------|--------------------------------|
| | 04 th Quarter 2017 | 4th Quarter 2016 | Year Ended 31 December 2017 | Year Ended 31 December 2016 |
| Sales | 385,190,855 | 389,116,939 | 1,298,334,877 | 1,294,995,846 |
| Cost of sales | (251,729,403) | (301,346,138) | (985,456,196) | (1,003,997,918) |
| Gross profit | 133,461,452 | 87,770,801 | 312,878,681 | 290,997,928 |
| Selling and marketing costs | (7,973,759) | (7,164,994) | (19,812,795) | (17,085,147) |
| Administrative expenses | (38,226,663) | (34,813,655) | (132,674,769) | (114,874,519) |
| Other income | 2,098,366 | 2,318,146 | 11,196,524 | 16,031,300 |
| Other expenses | (5,118,819) | (3,667,953) | (12,439,775) | (14,309,700) |
| Operating profit | 84,240,577 | 44,442,345 | 159,147,866 | 160,759,862 |
| Finance costs | (9,336,102) | (796,208) | (27,963,088) | (30,491,451) |
| Profit before tax | 74,904,475 | 43,646,137 | 131,184,778 | 130,268,411 |
| Business profit tax | (7,490,448) | (2,828,540) | (15,932,493) | (15,821,881) |
| Profit after tax | 67,414,028 | 40,817,597 | 115,252,285 | 114,446,530 |



Ibrahim Ziyath
Chief Executive Officer



Mohamed Hilmy
Chief Financial Officer

BALANCE SHEET (UNAUDITED)

| All amounts in MVR | 04 th Quarter 2017 | 4th Quarter 2016 |
|--------------------------------------|-------------------------------|----------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 892,020,842 | 316,285,477 |
| Capital work in progress | 69,493,161 | 14,789,345 |
| Financial investments | 39,966,900 | 39,966,900 |
| Intangible assets | 445,963 | 921,542 |
| Deferred Tax | 5,017,392 | 5,017,392 |
| Trade and Other Receivables | 10,241,566 | 12,648,642 |
| Total non-current assets | 1,017,185,824 | 389,629,298 |
| Current assets | | |
| Inventories | 212,956,048 | 238,867,752 |
| Trade and other receivables | 719,614,143 | 838,869,865 |
| Cash and cash equivalents | 106,121,219 | 29,291,460 |
| Total current assets | 1,038,691,410 | 1,107,029,077 |
| TOTAL ASSETS | 2,055,877,234 | 1,496,658,375 |
| 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 | |
| Retained earnings | 444,877,749 | 341,625,464 |
| Reserves | 869,972,848 | 597,100,563 |
| TOTAL EQUITY | 894,972,848 | 622,100,563 |
| Liabilities | | |
| Borrowings | 387,769,106 | 43,598,196 |
| Total non-current liabilities | 387,769,106 | 43,598,196 |
| Trade and other payables | 444,737,423 | 642,387,454 |
| Borrowings | 328,397,857 | 161,567,835 |
| Bank overdrafts | - | 27,004,237 |
| Total current liabilities | 773,135,280 | 830,959,616 |
| Total liabilities | 1,160,904,386 | 874,557,812 |
| TOTAL EQUITY AND LIABILITIES | 2,055,877,234 | 1,496,658,375 |

CASH FLOW STATEMENT (UNAUDITED)

| All amounts in MVR | 04 th Quarter 2017 | 4 th Quarter 2016 |
|---|----------------------------------|---------------------------------|
| Operating activities | | |
| Profit before tax for the period | 74,904,475 | 43,646,137 |
| Adjustment for: | | |
| Depreciation & amortization | 31,079,298 | 25,220,883 |
| Provision for impairment of receivables | 3,000,000 | 3,627,082 |
| Provision for inventory | 2,000,000 | 123,986 |
| Interest expense | 12,506,368 | 4,491,246 |
| Working capital adjustments | | |
| Decrease / (increase) in trade and other receivables | (63,460,375) | (80,870,786) |
| Decrease / (increase) in Inventories | 6,450,313 | (21,369,848) |
| (Decrease) / increase in trade and other payables | 6,894,044 | 105,189,701 |
| Net cash flows from operating activities | 73,374,123 | 80,058,401 |
| Investing activities | | |
| Purchase of property plant & equipment | (24,287,767) | (37,879,857) |
| Expenditure on capital work-in-progress | (11,063,723) | (7,692,110) |
| Net cash flows used in investing activities | (35,351,490) | (45,571,967) |
| Financing activities | | |
| Proceeds from borrowings | - | 1,256,487 |
| Repayment of borrowings | (19,442,529) | (12,552,315) |
| Advance received from Shareholders | 15,678,525 | - |
| Interest paid | (12,506,368) | (4,491,246) |
| Dividend paid | (81,015) | (1,528,582) |
| Net cash flows from financing activities | (16,351,387) | (17,315,656) |
| Net change in cash and cash equivalents | 21,671,246 | 17,170,778 |
| Cash and cash equivalents, and bank overdrafts- Opening | 84,449,973 | (14,883,645) |
| Cash and cash equivalents, and bank overdrafts – Closing | 106,121,219 | 2,287,133 |



SEGMENTAL PERFORMANCE (UNAUDITED)

Amounts in MVR

| Period from 1 st October 2017 to 31 st December 2017 | Total | Trading | Contracting | Dredging | Logistics | Transport | Engineering & Docking | Others |
|---|-------------------|-------------------|--------------------|--------------------|--------------------|---------------------|----------------------------------|---------------------|
| Revenue | 385,190,855 | 59,719,917 | 243,829,964 | 32,357,236 | 7,349,574 | 37,468,896 | 3,647,187 | 818,081 |
| Operating profit / (loss) | 84,204,577 | 6,964,005 | 112,266,604 | 969,709 | 2,968,153 | (15,397,600) | (1,495,675) | (22,034,619) |
| Finance income / (cost) | (9,336,102) | (578,950) | (3,085,722) | (7,378,839) | (1,291,883) | 199,521 | - | 2,799,771 |
| Profit / (loss) before tax | 74,904,475 | 6,385,055 | 109,180,882 | (6,409,130) | 1,676,270 | (15,198,079) | (1,495,675) | (19,234,848) |
| Business profit tax | (7,490,448) | - | - | - | - | - | - | (7,490,488) |
| Profit / (loss) after tax | 67,414,028 | 6,385,055 | 109,180,882 | (6,409,130) | (1,676,270) | (15,198,079) | (1,495,675) | (26,725,296) |
| Period from 1st October 2016 to 31st December 2016 | Total | Trading | Contracting | Dredging | Logistics | Transport | Engineering & Docking | Others |
| Revenue | 389,116,939 | 85,152,981 | 227,972,522 | 34,704,701 | 4,893,071 | 35,486,659 | 189,522 | 717,483 |
| Operating profit / (loss) | 44,442,345 | 13,044,719 | 47,328,994 | 8,574,057 | 1,161,682 | (8,877,374) | 1,804,877 | (18,594,610) |
| Finance income / (cost) | (796,208) | (1,837,178) | (1,475,662) | - | (1,344,463) | (136,559) | - | 3,997,654 |
| Profit / (loss) before tax | 43,646,137 | 11,207,541 | 45,853,332 | 8,574,057 | (182,781) | (9,013,933) | 1,804,877 | (14,596,956) |
| Business profit tax | (2,828,540) | - | - | - | - | - | - | (2,828,540) |
| Profit / (loss) after tax | 40,817,597 | 11,207,541 | 45,853,332 | 8,574,057 | (182,781) | (9,013,933) | 1,804,877 | (17,425,496) |

OUR SHARE

There was no trading activity of the Company shares at Maldives Stock Exchange during the 4th quarter. The last trading activity was carried out on 16th July 2017 at MVR 22.00.

The Dividend yield for MTCC Share is being calculated based on dividend value of MVR 2.4 approved by the Shareholders in 2016 Annual General Meeting.

| | 4 th Quarter, 2017 | 3 rd Quarter, 2017 | 2 nd Quarter, 2017 | 1 st Quarter, 2017 |
|--------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Lowest traded price (MVR) | - | - | 15.50 | 30.00 |
| Highest traded price (MVR) | - | - | 20.00 | 30.00 |
| Last traded price (MVR) | 22.00 | 22.00 | 15.50 | 30.00 |
| Weighted average traded price (MVR) | - | - | 19.94 | 30.00 |
| No. of shares traded | - | - | 760 | 280 |
| Market capitalization (MVR millions) | 110.00 | 110.00 | 77.50 | 150.00 |
| Dividend Yield | 10.91% | 10.91% | 20.65% | 10.67% |
| Earnings per share (MVR) | 13.48 | 3.48 | 4.92 | 1.17 |
| Price Earnings Ratio | 1.63 | 6.31 | 3.15 | 25.73 |

Figures have been adjusted to reflect 1:10 share split



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 4th 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.

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