

مركز معلومات
البحر الأحمر



QUARTERLY REPORT

2018



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KEY DEVELOPMENTS

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

During the first quarter of the year, a total of 38 construction projects were managed by the company out of which physical work was carried out at 36 projects. Three projects were successfully completed, while four new projects were started during the quarter.



MTCC carried out 04 dredging and special projects during this quarter. These projects include; Th. Guraidhoo Land Reclamation

Project, K. Madivaru Island Land Reclamation Project, Sawmill Relocation Project and Land Reclamation plus Shore Reclamation Protection at Hdh. Kulhudhuffushi and Sh. Funadhoo.

Ferry Terminal Development Project, under which changes will be brought to both Fenna and Meyna Gimatha was approved during the last quarter of 2017 and preliminary work was started during December 2017. The purpose of

expanding the ferry terminal is to cater to the growth in commuters in Hulhumale' and is expected to be completed by May 2017.



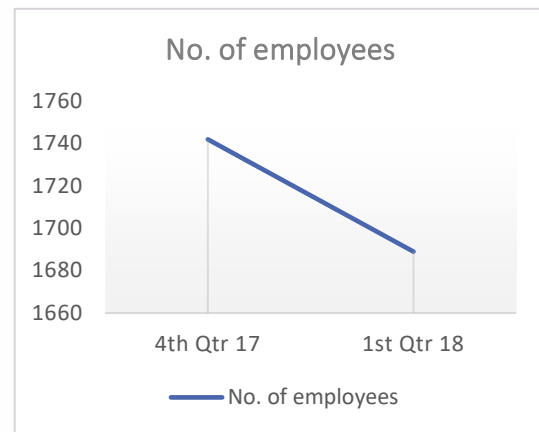
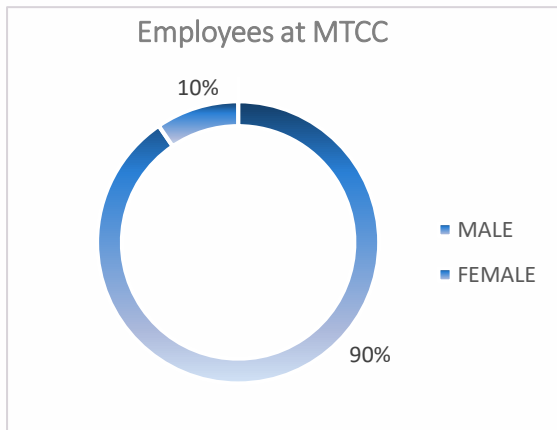
Signed sales contract with Alshali Marine Maldives under which Yanmar and Suzuki were designated as the preferred brand for Inboard and Outboard Engines for vessels constructing at AS Marine Boat Yard Thilafushi.

MTCC agreed to supply selected products from these brands to Alshali Marine Maldives at special rates for a period of one year.



HUMAN DEVELOPMENT

By the end of the 1st Quarter of 2018, there were a total of 1689 staff employed at MTCC, which shows a 3% decrease in the number of employees compared to the 4th Quarter of 2017.



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 4 staff were enrolled in various local training programs while 3 staff underwent short term trainings abroad.

CLUB MTCC



To mark the 37th Anniversary of MTCC Plc, a special “Staff Night” was held on the 28th January 2018 at Dharubaaruge. During the event, a short video spot showcasing the evolution of CLUB MTCC to its maturity was projected, along with items performed by different departments. HR service award, HR excellence award and most popular award was also given during the event.



Club MTCC Futsal Cup 2018 was held from 2nd to 8th February 2018. The objective of this tournament is to foster friendship and unity between the staff working in different departments.

A total of seventeen teams participated in 29 games of the tournament, with fourteen teams from men’s division and three teams from women’s division. Final Match of the tournament was played on 8th February 2018. While Ziazola won the men’s category, Team Suzuki won women’s division.





A Fitness program was conducted in the name “Fitness Boot Camp Program” for three months with 24 staff taking part in it. KAI offering 12 months free membership to the top 5 participants that lost the most weight and 6 months free membership to the best 5 for attendance.

MTCC took part in the largest annual futsal tournament in the Maldives, Club Maldives Cup 2018 this year. The tournament was held from 18th March to 18th April 2018. Club Maldives Futsal tournament is one of the popular sports competition held in the country where participation is open to government offices and public companies.



Club MTCC also took part in Inter Office Billiard Championship in the Maldives, which was held from 24th March to 18th April 2018 at Galolhu Youth Center.



CSR ACTIVITIES



MTCC Donated 200HP Engine to Maldives Polytechnic under Corporate Social Responsibility, with the aim of assisting them to build Marine Engineer professionals in Maldives. Maldives Polytechnic is identified as the leading institution that helps to educate marine engineers in the Maldives, and donation of the Suzuki 200HP engine will help new beginners and students in the engineering field to discover more on Suzuki OBM during Training Sessions.

MARKETING ACTIVITIES

Promotional activities were carried out to market Scott Bader & Boatbuilding composites with the aim of increasing brand awareness, sales of the products and create potential customer base among the boat builders. Main marketing methods that used were direct marketing, online marketing, banners, flyers, TV interviews as well as outdoor events.



BOARD ACTIVITIES

The Board of Directors comprises of 10 directors. With respect to the shareholding of the Company 6 directors are appointed by the Government of Maldives and 4 directors are elected by the Public Shareholders at the Shareholder meeting. There were no changes to the board composition and members during the quarter.

BOARD OF DIRECTORS

Name	Position in Board
Ahmed Niyaz	Chairman
Ibrahim Ziyath	Chief Executive Officer
Ahmed Abdulla	Non- Executive Director
Hassan Muneer	Non- Executive Director
Ahmed Kurik Riza	Executive Director
Nashima Abdul Latheef	Non- Executive Director
Mansoor Zubair	Non- Executive Director
Nasrath Mohamed	Non- Executive Director
Aishath Fazeena	Non- Executive Director
Mohamed Farsath	Non- Executive Director

BOARD MEETINGS

Frequency of board and board committee meetings are as follows;

Meetings	No. of meetings
Board Meeting	01
Audit Committee	02
N&R Committee	04
CGC Committee	00

BOARD DECISIONS

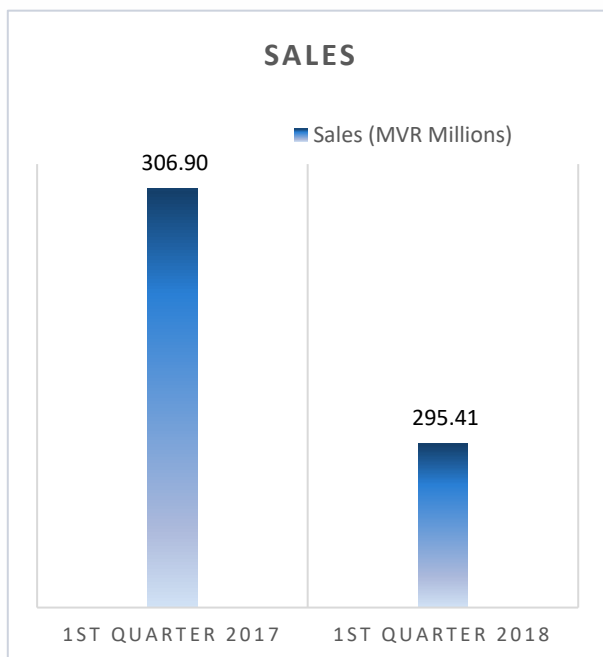
- Approved the 4th Quarter Report 2017

FINANCIAL REVIEW

- First-Quarter Highlights:

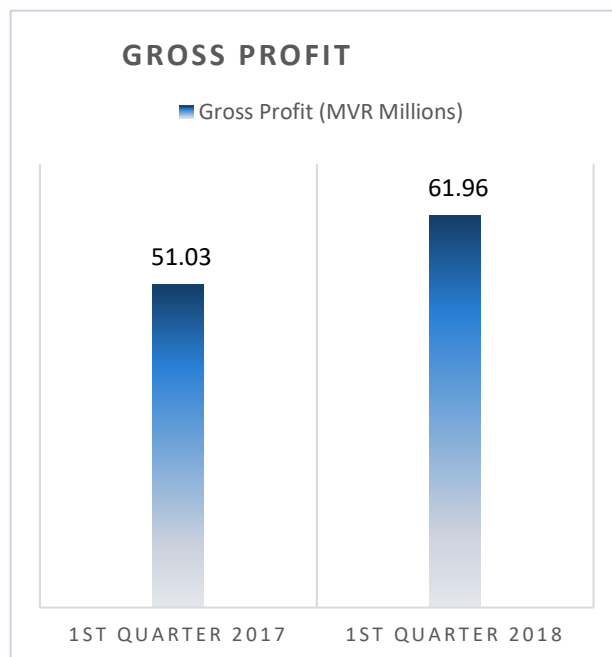
Sales

Sales of **MVR295.41 million**; decline of 3.74% year-on-year



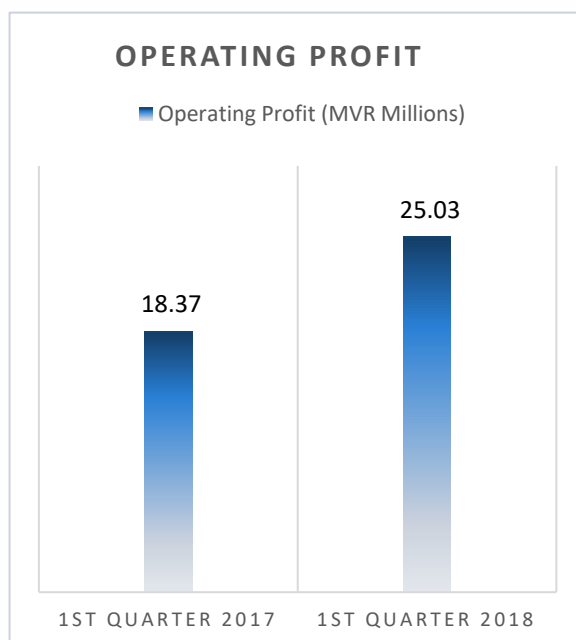
Gross Profit

Gross profit of **MVR61.96 million**; up by 21.42% year-on-year



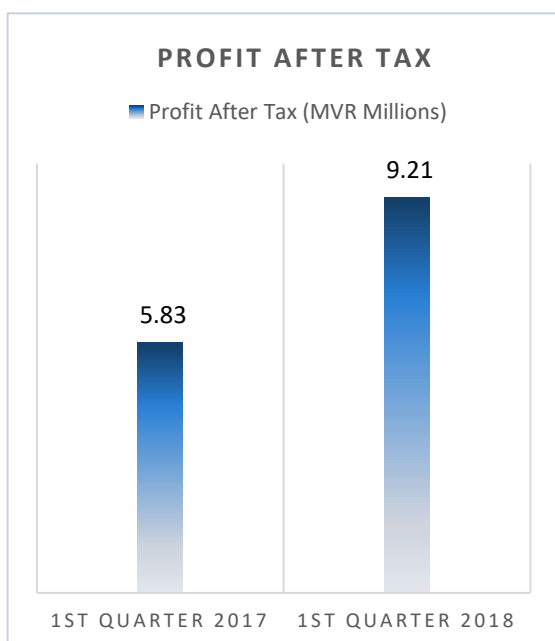
Operating Profit

Operating profit of **MVR25.03 million**; up by 36.21% year-on-year



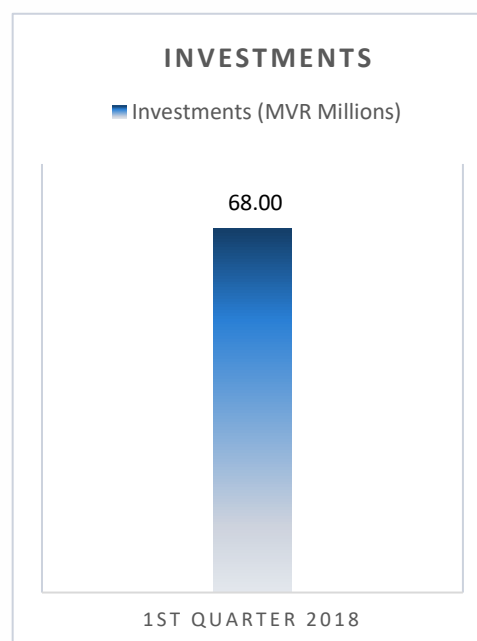
Profit After Tax

Profit after tax of **MVR9.21 million**;
up by 58.12% year-on-year



Investments

Investments in Property, plant &
equipment exceed **MVR68 million**
by end of the first quarter;



First Quarter Results

First quarter earnings per share were MVR1.15, slightly below the MVR1.17 recorded for the first quarter, previous year.

Total revenue has always stayed below the annual average in the first quarter, while comparison against the same period, last year shows a slight decline of 3.74%. The main reason for the shortfall in total revenue was unexpected fall in revenue generated from Construction by 30% compared to the same period last year. While revenue generated from Dredging, Trading and Transport has helped to mitigate the impact of this fall.

In stark contrast to the decline in total revenue, the operating profit generated from

Construction has sharply increased, posting a net gain of MVR15.4 million, an increase of 83% compared to the same period previous year. However, fall in revenue from Logistics because of accidents and break-down of international vessels has deteriorated, ending the quarter with an operating loss of 1.8 million. The Dredging segment, which is considered as one of the most promising business unit has also not contributed very much to the operating results.

Despite the slowdown and decline in operating profit from some of the business units, the total profit after tax has increased from MVR5.8 million in the first quarter, last year to MVR9.2 million in the first quarter, 2018 just ended.

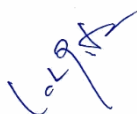
Outlook for 2018

With the results of the first quarter, we remain optimistic that all key segments will post positive earnings results towards the end of the year.

FINANCIAL STATEMENTS

INCOME STATEMENT (UNAUDITED)

All amounts in MVR	1st Quarter 2018	1st Quarter 2017
Sales	295,414,903	306,899,294
Cost of sales	(233,452,710)	(255,869,791)
Gross profit	61,962,193	51,029,503
Selling and marketing costs	(2,100,664)	(2,355,610)
Administrative expenses	(34,788,549)	(29,656,160)
Other income	1,419,569	1,172,282
Other expenses	(1,460,021)	(1,812,320)
Operating profit	25,032,528	18,377,695
Finance costs	(14,188,524)	(11,519,470)
Profit before tax	10,844,004	6,858,225
Business profit tax	(1,626,601)	(1,028,734)
Profit after tax	9,217,403	5,829,491



Ibrahim Ziyath
Chief Executive Officer



Mohamed Hilmy
Chief Financial Officer

BALANCE SHEET (UNAUDITED)

All amounts in MVR	1 st Quarter 2018	1 st Quarter 2017
ASSETS		
Non-current assets		
Property, plant and equipment	949,006,466	329,270,710
Financial investments	81,595,140	39,966,900
Intangible assets	347,040	778,170
Deferred Tax	33,161,843	5,017,392
Trade and Other Receivable	8,961,214	13,159,273
Total non-current assets	1,073,071,703	388,192,445
Current assets		
Inventories	220,707,582	235,820,602
Trade and other receivables	710,883,525	742,283,535
Cash and cash equivalents	115,853,009	26,297,056
Total current assets	1,047,444,116	1,004,401,193
TOTAL ASSETS	2,120,515,819	1,392,593,638
EQUITY AND LIABILITIES		
Share capital	40,188,745	25,000,000
Share Premium	173,151,693	-
General reserve	225,000,000	225,000,000
Fair value reserve	61,287,838	30,475,099
Retained earnings	484,022,699	347,454,955
Reserves	943,462,230	602,930,054
TOTAL EQUITY	983,650,975	627,930,054
Liabilities		
Borrowings	378,490,787	54,371,508
Total non-current liabilities	378,490,787	54,371,508
Trade and other payables	431,775,797	541,802,970
Borrowings	326,598,260	160,740,938
Bank overdrafts	-	7,748,168
Total current liabilities	758,374,057	710,292,076
Total liabilities	1,136,864,844	764,663,584
TOTAL EQUITY AND LIABILITIES	2,120,515,819	1,392,593,638

CASH FLOW STATEMENT (UNAUDITED)

Figures in MVR	1 st Quarter 2018	1 st Quarter 2017
Operating activities		
Profit before tax for the period	10,844,004	6,858,225
Adjustment for:		
Depreciation & amortization	3,865,787	25,085,532
Provision for inventory	-	123,986
Interest income	(60,013)	-
Interest expense	13,826,922	4,811,976
Working capital adjustments		
Decrease / (increase) in trade and other receivables	164,960,985	96,075,699
Decrease / (increase) in Inventories	(8,219,799)	2,923,164
(Decrease) / increase in trade and other payables	(90,732,216)	(101,453,832)
Net cash flows from operating activities	124,485,670	34,424,750
Investing activities		
Purchase of property plant & equipment	(68,425,088)	(23,138,048)
Interest received	60,013	-
Net cash flows used in investing activities	(68,365,075)	(23,138,048)
Financing activities		
Proceeds from borrowings	15,165,397	15,448,236
Repayment of borrowings	(26,243,313)	(5,501,821)
Proceeds from rights issue of share capital	4,984,593	
Interest paid	(13,932,740)	(4,811,976)
Dividend paid	(23,932,740)	(159,386)
Net cash flows from financing activities	(43,852,985)	4,975,503
Net decrease in cash and cash equivalents	12,267,610	16,261,755
Cash and cash equivalents, and bank overdrafts- Opening	103,585,399	2,287,133
Cash and cash equivalents, and bank overdrafts – Closing	115,853,009	18,548,888

SEGMENTAL PERFORMANCE (UNAUDITED)

Period from 1st January – 31st March 2018	Total	Trading	Contracting	Dredging	Logistics	Transport	Engineering & Docking	Others
Revenue	295,414,903	60,344,309	123,972,880	64,220,947	3,534,817	38,872,766	3,761,105	708,079
Operating profit / (loss)	25,032,528	13,521,842	34,190,594	7,815,777	(1,756,129)	(10,899,425)	(918,912)	(16,921,219)
Finance income / (cost)	(14,188,524)	(1,322,087)	(3,447,550)	(7,651,854)	(1,390,364)	-	-	376,669
Profit / (loss) before tax	10,844,524	12,199,755	30,743,044	163,923	(3,146,493)	(10,899,425)	(918,912)	(17,297,888)
Business profit tax	(1,626,601)	-	-	-	-	-	-	(1,626,601)
Profit / (loss) after tax	9,217,403	12,199,755	30,743,044	163,923	(3,146,493)	(10,899,425)	(918,912)	(18,924,489)

Period from 1st January – 31st March 2017	Total	Trading	Contracting	Dredging	Logistics	Transport	Engineering & Docking	Others
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)
Profit / (loss) before tax	6,858,225	13,900,577	17,166,464	6,700,021	2,156,412	(10,984,678)	675,213	(22,755,784)
Business profit tax	(1,028,734)	-	-	-	-	-	-	(1,028,734)
Profit / (loss) after tax	5,829,491	13,900,577	17,166,464	6,700,021	2,156,412	(10,984,678)	675,213	(23,784,518)

OUR SHARE

During the quarter shares that were sold under the MTCC Rights Issue was allotted to the shareholders of the company. The project was successfully completed with 3,037,749 shares being added to the current share total of five million shares. MTCC currently has a share total of 8,037,749 with over 24,000 registered shareholders.

Trading of the company's share at Maldives Stock Exchange include two transactions during the first quarter of 2018. 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.

	1st Quarter, 2018	1st Quarter, 2017
Lowest traded price (MVR)	85	300
Highest traded price (MVR)	155	300
Last traded price (MVR)	155	300
Weighted average traded price (MVR)	9.14	300
No. of shares traded	11	28
Market capitalization (MVR millions)	1246.00	150.00
Dividend Yield	1.55%	10.67%
Earnings per share (MVR)	1.15	11.66
Price Earnings Ratio	135.16	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 1st quarter report of 2018 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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