

FIRST QUARTER REPORT - 2016

1ST JANUARY – 31ST MARCH



Maldives Transport and Contracting Company Plc

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SUMMARY OF RESULTS

Our first quarter financial results saw an increase in the revenue from ongoing businesses, but given the significant impact due to increase in financial cost and the decision by the Government to discontinue the subsidy paid to the Company from March 2016, in connection with the losses incurred in our transport sector we record a lower Net profit after tax result of 1% compared to the last quarter of 2015.

The increase in revenue was also offset by the increased in the payments to the capital investments and increase in depreciation.

Though, our first quarter financial results for the year is below our expectations, we are confident in our full-years business outlook when announcing these results.

KEY DEVELOPMENTS

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

1. 11 new projects awarded by the Government of Maldives ranging from land reclamation, shore protection and civil works.
2. Commencement of 11 new construction projects and completion of 05 construction project
3. The company managed a total of 75 construction projects in whole
4. Significant projects embarked during the quarter include, the development of Male' Industrial Village and Sultan Park Redevelopment
5. Two new set of tug and barge was introduced to the International fleet, increasing the capacity to deliver the materials needed for construction projects.
6. Two air conditioned ferries with the capacity of 146 passengers branded as "Premium Link" was launched. The "Premium Link" ferry service is specially designed to offer passengers commuting between Male'-Hulhumale' an expeditious service with comfort. A dedicated waiting lounge at both Hulhumale' and Male' terminals was also introduced with the service.
7. Ferry services was launched in Thaa and Laamu Atolls (Zone 5). An estimated 200 passengers commute within the atolls per day and we plan to expand and introduce ferry services in-between these two atolls in the near future.
8. Products & services available for sale at our showroom in Male' was promoted in the islands Th.Hirilandhoo, Ha.lhavandhoo, H.dh. Makunudhoo and in all the islands of G.dh Atoll.
9. Established "Kashavaru" endorsed distribution point in Thilafushi Industrial Island, mainly offering PPG Coating and Industrial Gas.
10. Participated in MACI Build & Home Expo 2016. The Construction segment of the Company was promoted at this event.
11. "Scott Bader" brand composites were launched by the Company on January 2016. A product that the company introduced in its bid to offer boat building related products to the country.
12. Dealership agreement was signed between MTCC and MAN Truck India where the company will be handling the catalog and parts identification for MAN Trucks in the Maldives.

HUMAN DEVELOPMENT

Compared to the last quarter of 2015, the total number of employees at the Company grew from 1369 employees to 1421 employees.



The Company marked its 35th Anniversary at a grand event during the quarter, in which award for the employees who has served long-term and award for appreciation of service of retired employees was handed.

The event also marked the announcement and launching of new uniforms of the Company.

Further, the company awarded Hajj Pilgrimage opportunity to three staff of the Company.

In our efforts to recruit and inform the public on employment opportunities available in the Company, we participated in “Kissaru Youth Job Fair” organized by Ministry of Youth and Sports at Addu City.

CLUB MTCC

Club MTCC conducted a wide variety of staff activities during the quarter including sports and social events and contributed to the society. On 27th January 2016, CLUB MTCC organized a beach cleaning program in Male’ west coast swimming area (Rasfannu Artificial Beach). The main objective of this event was to clean the project working site before the official opening of Rasfannu Artificial Beach and on 2nd February 2016, Club MTCC participated West coast cleaning session held with support from MWSC,

STO STELCO, MRDC and Red Crescent organized by Ministry of Housing and Infrastructure.

Club MTCC organized inter department futsal tournament challenge cup 2016 from 10th to 24th February 2016. Board directors, Heads of Department and a large number of staff participated and attended the ceremony. The objective of this tournament is to foster friendship and unity between the staff working in different areas of the Company.

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 Shareholder meetings.

CHANGES TO THE BOARD

Ms.Mariyam Shafeega, was appointed by the government on 20th March 2016 and dismissed on 5th April 2016. Mr.Ahmed Abdullah who was appointed on 13th May 2014 was dismissed on 20th March 2016 and re-appointed on 05th April 2016.

Name	Position in Board
Hussain Salim Mohamed	Chairman
Ibrahim Abdul Razzag Haleem	Chief Executive Officer
Ahmed Abdulla	Non- Executive Director
Sinaan Ali	Non- Executive Director
Mohamed Hilmy	Executive Director
Nashima Abdul Latheef	Non- Executive Director
*Mariyam Shafeega	Non- Executive Director
Ahmed Aboobakuru	Non- Executive Director
Nasrath Mohamed	Non- Executive Director
Mohamed Imran Adnan	Non- Executive Director
Fathulla Ismail	Non- Executive Director

BOARD DECISIONS

- The Committees of the Board was reconstituted.
- With the government's decision to decommission the formation of Transport for Maldives Pvt Limited, Board revised the budget for Transport Service Department.
- The Salary and remuneration of Board of Directors of the subsidiary company Maldives Real Estate Investment Cooperation Pvt Limited was approved.
- Approved the revised Human Resources Development Policy.
- Approved the Company Bonus Scheme.
- Approved the Audited Financial Statements for the year ended 31st December 2015.
- Approval the dividend to be proposed to the AGM 2015.
- Approved the nominees for public directorship at AGM 2015
- Approved the adjustments to Thilafushi Inventory

BOARD MEETINGS

Frequency of board and committee meetings are as follows;

Director	No.of meetings
Board Meeting	05
Audit Committee	04
N&R Committee	03
CGC Committee	02

FINANCIAL STATEMENTS

INCOME STATEMENT (UNAUDITED)

All amounts in MVR	1st Quarter 2016	4th Quarter 2015
Sales	315,450,233	314,912,320
Cost of sales	(244,080,583)	(242,221,221)
Gross profit	71,369,650	72,691,099
Selling and marketing costs	(3,292,016)	(3,432,364)
Administrative expenses	(23,336,960)	(24,608,009)
Other income	7,741,427	16,230,126
Other expenses	(4,083,376)	(10,760,092)
Operating profit	48,398,725	50,120,760
Finance costs	(13,273,394)	(4,386,314)
Profit before tax	35,125,331	45,734,446
Business profit tax	(5,268,800)	(8,780,148)
Profit after tax	29,856,531	36,954,298



Ibrahim Abdul Razzag Haleem
Chief Executive Officer



Mohamed Hilmy
Chief Financial Officer

BALANCE SHEET (UNAUDITED)

All amounts in MVR	1st Quarter 2016	4th Quarter 2015
ASSETS		
Non-current assets		
Property, plant and equipment	324,757,141	297,456,083
Capital work in progress	5,440,847	5,382,745
Financial investments	39,966,900	39,966,900
Intangible assets	1,248,919	1,395,324
Trade and Other Receivable	12,481,653	8,969,644
Total non-current assets	383,895,460	353,170,696
Current assets		
Inventories	209,242,195	198,494,118
Trade and other receivables	697,526,056	724,961,067
Cash and cash equivalents	24,100,138	49,551,881
Total current assets	930,868,389	973,007,066
TOTAL ASSETS	1,314,763,849	1,326,177,762
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
Retained earnings	273,035,465	243,178,934
Reserves	528,510,564	498,654,033
TOTAL EQUITY	553,510,564	523,654,033
Liabilities		
Borrowings	55,752,758	45,365,238
Total non-current liabilities	55,752,758	45,365,238
Trade and other payables	531,263,260	542,837,780
Borrowings	170,776,070	190,837,531
Bank overdrafts	3,461,197	23,483,180
Total current liabilities	705,500,527	757,158,491
Total liabilities	761,253,285	802,523,729
TOTAL EQUITY AND LIABILITIES	1,314,763,849	1,326,177,762

CASH FLOW STATEMENT (UNAUDITED)

Figures in MVR	1st Quarter 2016	4th Quarter 2015
Operating activities		
Profit before tax for the period	35,125,331	45,734,446
Adjustment for:		
Depreciation & amortization	23,791,076	19,270,840
Reversal of impairment provision of receivables	-	-
Government subsidy	(6,887,658)	(14,696,773)
Dividend Income	-	-
Provision for inventory	-	318,344
Tax Paid	-	-
Interest income	(503,060)	
Interest expense	4,880,299	8,718,113
Working capital adjustments		
Decrease / (increase) in trade and other receivables	30,810,660	(50,040,867)
Decrease / (increase) in Inventories	(10,748,077)	10,914,231
(Decrease) / increase in trade and other payables	(16,738,001)	22,326,248
Net cash flows from operating activities	59,730,570	42,544,582
Investing activities		
Purchase of property plant & equipment	(50,945,729)	(77,445,809)
Expenditure on capital work-in-progress	(58,102)	(2,597,068)
Dividend Received	-	-
Interest received	503,060	-
Net cash flows used in investing activities	(50,500,771)	(80,042,877)
Financing activities		
Proceeds from borrowings	3,767,928	171,239,329
Repayment of borrowings	(13,441,869)	(77,897,082)
Interest paid	(4,880,299)	(8,347,618)
Dividend paid	(105,319)	(219,059)
Net cash flows from financing activities	(14,659,559)	84,775,570
Net decrease in cash and cash equivalents	(5,429,760)	47,277,275
Cash and cash equivalents, and bank overdrafts- Opening	26,068,701	(21,208,574)
Cash and cash equivalents, and bank overdrafts – Closing	20,638,941	26,068,701

SEGMENTAL PERFORMANCE (UNAUDITED)

Period from 1 January 2016- 31 March 2016	Total	Trading	Contracting	Transport	Docking & Maintenance	Others
Revenue	315,450,233	61,955,253	219,990,360	31,942,160	666,034	896,426
Operating profit / (loss)	48,398,725	14,603,663	40,825,018	(2,696,487)	4,634,358	(8,967,827)
Finance income / (cost)	(13,273,394)	(1,475,704)	(2,190,209)	(610,645)	-	(8,996,836)
Profit / (loss) before tax	35,125,331	13,127,959	38,634,809	(3,307,132)	4,634,358	(17,964,663)
Business profit tax	(5,268,800)	-	-	-	-	(5,268,800)
Profit / (loss) after tax	29,856,531	13,127,959	38,634,809	(3,307,132)	4,634,358	(23,233,463)
Period from 1 October 2015- 31 December 2015						
	Total	Trading	Contracting	Transport	Docking & Maintenance	Others
Revenue	314,912,320	75,377,397	207,554,722	29,518,011	653,895	1,808,295
Operating profit / (loss)	50,120,760	18,445,660	43,488,511	1,392,191	68,313	(13,273,915)
Finance income / (cost)	(4,386,314)	(2,229,142)	(1,529,076)	(1,392,191)	-	(764,095)
Profit / (loss) before tax	45,734,446	16,216,518	41,959,435	-	68,313	(12,509,820)
Business profit tax	(8,780,148)	-	-	-	-	(8,780,148)
Profit / (loss) after tax	36,954,298	16,216,518	41,959,435	-	68,313	(21,289,968)

OUR SHARE

We record no trading activity of the Company shares at Maldives Stock Exchange this quarter. The last trading activity was carried out on 28th October 2015 at MVR 75.00.

The Dividend yield for MTCC Share is being calculated based on dividend value of MVR 20.00 approved by the Shareholders in 2014 Annual General Meeting

	1 st Quarter, 2016	4 th Quarter, 2015
Lowest traded price (MVR)	-	75.00
Highest traded price (MVR)	-	75.00
Last traded price (MVR)	75.00	75.00
Weighted average traded price (MVR)	-	75.00
No. of shares traded	0	10
Market capitalization (MVR millions)	37.50	37.50
Dividend Yield	13.33%	26.66%
Earnings per share (MVR)	59.71	73.80
Price Earnings Ratio	1.26	1.02

DECLARATION

Corporate Governance Code and Listing Rules Compliance

The Company strictly 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 Company Published its 4rd Quarter Report 2015 on 30th January 2016 as stipulated in the Continuing Disclosure Obligation of Issuers and Listing Rules of MSE.

The 1st quarter report of 2016 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.

Maldives Transport and Contracting Company Plc
7th Floor, MTCC Tower,
Bothuthakurufaanu Magu,
Male'
Republic of Maldives

This report is available at our website www.mtcc.com.mv