



No. ATP30 11/2017

9 August 2017

Subject Management Discussion and Analysis for second quarter ended 30 June 2017

Attention President
Stock Exchange of Thailand

Attachment Report and interim financial statements provided by Certified Public Accountant (Thailand)

ATP30 Public Company Limited (“the Company”) would like to report the operating result of 3-month and 6-month period ended 30 June 2017 according to the Company’s financial statement which the details are as follows:

(Unit: million Baht)

Description	For 3-month period (Apr - Jun)			
	2017	2016	Change	% Change Increase (Decrease)
Revenue from Services	83.26	74.38	8.88	11.94%
Cost of Services	(64.00)	(56.00)	(8.00)	14.29%
Gross Profit	19.26	18.38	0.88	4.79%
Other Incomes	0.21	0.74	(0.53)	(71.62%)
Administrative Expenses	(10.41)	(8.32)	(2.09)	25.12%
Financial Costs	(3.37)	(3.99)	0.62	(15.54%)
Tax Expenses	(0.27)	0.39	(0.66)	(169.23%)
Net Profit	5.42	7.20	(1.78)	(24.72%)

(Unit: million Baht)

Description	For 6-month period (Jan - Jun)			
	2017	2016	Change	% Change Increase (Decrease)
Revenue from Services	162.55	144.25	18.30	12.69%
Cost of Services	(128.34)	(109.69)	(18.65)	17.00%
Gross Profit	34.21	34.56	(0.35)	(1.01%)
Other Incomes	0.68	0.97	(0.29)	(29.90%)
Administrative Expenses	(20.83)	(16.40)	(4.43)	27.01%



Description	For 6-month period (Jan - Jun)			
	2017	2016	Change	% Change Increase (Decrease)
Financial Costs	(6.84)	(7.93)	1.09	(13.75%)
Tax Expenses	0.12	(0.68)	0.80	(117.65%)
Net Profit	7.34	10.52	(3.18)	(30.23%)

Revenue from Services

For 3-month period ended 30 June 2017, the Company's revenue from services was THB 83.26 million, rose by THB 8.88 million or equivalent to a 11.94 percent growth; whereas, for 6-month period, the Company realised the revenue from services of THB 162.55 million, increased by THB 18.30 million or up 12.69 percent.

An increase in following revenue from services arises from service expansion towards existing clients and new clients. As of 30 June 2017, the Company owned a total of 190 vehicles to serve the clients which consist of 157 buses, 5 mini-buses, 4 VIP vans, 23 vans and 1 sedan car; meanwhile, the Company also was holding partnerships with 90 affiliated vehicles which can be separated into 10 buses and 80 vans.

Gross Profit and Gross Profit Margin

For 3-month period ended 30 June 2017, the Company's gross profit stood at THB 19.26 million or equivalent to gross profit margin of 23.13 percent compared to the same period last year that the Company posted gross profit of THB 18.38 million or equivalent to gross profit margin of 24.71 percent. For 6-month period ended 30 June 2017, the Company's gross profit was THB 34.21 million or equivalent to gross profit margin of 21.05 percent compared to the same period previous year that the Company recorded gross profit of THB 34.56 million or equivalent to gross profit margin of 23.96 percent.

However, in both 3-month and 6-month period ended 30 June 2017, the Company underwent a plunge in gross profit and its margin year-on-year which were caused by: an expense from the improvement on used vehicles that carry long lifespan in purpose of prolonging the usage duration to match the demand from clients who wish to have longer contracts in which the expense was regarded to be one-time, and a hike in fuel price which an average quoted first 6-month retail oil price for the year 2017 was higher than the same period previous year.

Other Incomes

The Company's other incomes consist of revenue from rendering management to affiliated vehicles, interest received from deposits at bank, amortised gains from sales-and-leases-back of vehicles, and gain from sales on assets. For 3-month period ended 30 June 2017, the Company's other incomes was THB 0.21 million, tumbled by THB 0.53 million or equivalent to a 71.62 percent slump compared to the same period last



year, and, for 6-month period ended 30 June 2017, the figure was valued at 0.68 million, dropped by THB 0.29 million or down 29.90 percent.

Administrative Expenses

For 3-month period ended 30 June 2017, the Company had administrative expenses of THB 10.41 million, increased by THB 2.09 million or equivalent to a 25.12 percent growth compared to the same period last year. Whereas, for 6-month period ended 30 June 2017, the Company's administrative expenses accounted for THB 20.83 million, grew by THB 4.43 million or equivalent to up 27.01 percent. An increase in administrative expenses was due to an expense to applying Road Traffic Safety (RTS) management system (ISO 39001) in order to improve the services quality and a growing salary expenses to extending workforces in order to accommodate business expansion. Furthermore, the Company had additional expenses from the issuance of its financial instrument (The warrants to purchase newly issued shares of ATP 30 Public Company Limited No.1: ATP30-W1).

Financial Costs

For 3-month period ended 30 June 2017, the Company had financial cost from the financial lease and hire-purchase contracts of THB 3.37 million, decreased by THB 0.62 million or equivalent to down 15.54 percent compared to the same period last year. Similarly, for 6-month period ended 30 June 2017, the Company saw its financial costs of THB 6.84 million, decreased by THB 1.09 million or down 13.75 percent year-on-year.

In 2017, the Company had constantly repaid interest for financial lease (Financial Lease and Hire-Purchase contracts) caused by investing in new 15 vehicles to accommodate its business expansion. Since the Company's Initial Public Offering (IPO) in 2015, the Company has altered its investing policy in fleet expansion by partly financing fund from IPO to be used as a down-payment and paying the rest in forms of hire-purchase and financial lease contracts which consequently results in lower interest burden for the year 2017 (interest rate received from January to June were quoted between 3.75 and 4.05 percent).

As of 30 June 2017, the Company has 121 vehicles under financial lease agreements in which the number of vehicles terminated in the latter half year of 2017 is 8 vehicles: 3 vehicles and 5 vehicles in third quarter and last quarter respectively.

Net Profit and Net Profit Margin

For 3-month period ended 30 June 2017, the Company's net profit was THB 5.42 million or equivalent to the net profit margin of 6.49 percent compared to the same period last year that the Company's net profit was THB 7.20 million or equivalent to the net profit margin of 9.58 percent. Of which, for 6-month period ended 30 June 2017, the Company recorded the net profit of THB 7.34 million or equivalent to the net profit margin of 4.50 percent compared to the same period last year that the Company's net profit was THB 10.52 million or equivalent to the net profit margin of 7.24 percent.



In general, a decline in net profit and its margin was led by the increasing cost of services such as the improvement and the fuel price and administrative expenses from implementing Road Traffic Safety (RTS) management system (ISO 39001), the increase in salary expenses to broadening workforces in order to accommodate business expansion and relevant expenses from the issuance of the financial instrument (The warrants to purchase newly issued shares of ATP 30 Public Company Limited No.1: ATP30-W1) as mentioned above.

Please be informed accordingly,

Yours Sincerely,

(Mr. Piya Techakul)

Managing Director