

ATP 30 Public Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2018

1. General information

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.2 New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the period, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company' financial statements.

(b) Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

- TFRS 9 Financial Instruments
- TFRS 7 Financial Instruments: Disclosures

Accounting standard:

- TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

- TFRIC 16 Hedges of a Net Investment in a Foreign Operation
- TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

1.3 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

2. Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month periods		For the nine-month periods		Pricing policy
	ended 30 September		ended 30 September		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with related parties</u>					
Subcontract service	.1.2	1.2	3.6	3.3	As agreed price
Insurance expenses	1.6	1.3	4.8	3.6	As agreed price
Rental and service expenses	0.5	0.3	1.2	0.9	Contract price
Consultancy fee	0.2	0.2	0.5	0.5	As agreed price
Commissions	-	0.3	-	0.3	As agreed price

As at 30 September 2018 and 31 December 2017, the balances of the accounts between the Company and those related parties were as follows:

(Unit: Thousand Baht)

	30 September	31 December
	<u>2018</u>	<u>2017</u>
(Audited)		
<u>Prepaid insurance expenses - related party</u>		
Thaisri Insurance Public Company Limited (Common Director)	<u>4,066</u>	<u>3,863</u>
<u>Trade accounts payable - related parties (Note 7)</u>		
NPR Trans Tour Company Limited (Common management)	932	865
Mr.Vinai Pumpit (Manager of the Company)	153	148
Mr.Ampon Techakul (Managing director's brother)	149	129
	<u>1,234</u>	<u>1,142</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 September 2018	31 December 2017
		(Audited)
<u>Other payables - related parties (Note 7)</u>		
Accrued insurance expenses - Thaisri Insurance Public Company Limited (Common Director)	3,163	3,397
Accrued consultancy fee - Mr.Viwat Kromadit (Director of the Company)	-	50
Accrued rental and service expenses - Kromdit Park Company Limited (Common Director)	229	149
Accrued commissions - Manager of the Company	-	230
	<u>3,392</u>	<u>3,826</u>

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Company had employee benefit expenses payable to their directors and management as below.

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	2,787	2,758	10,248	9,760
Post-employment benefits	96	85	289	256
Total	<u>2,883</u>	<u>2,843</u>	<u>10,537</u>	<u>10,016</u>

3. Trade and other receivables

The balances of trade and other receivables as at 30 September 2018 and 31 December 2017 aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)	
	30 September 2018	31 December 2017
		(Audited)
<u>Trade accounts receivable</u>		
Aged on the basis of due dates		
Not yet due	53,609	41,989
Past due		
Up to 3 months	2,125	169
3 - 6 months	304	20
Total trade accounts receivable	56,038	42,178
Accrued services income	2,703	1,727
Advance payment	51	86
Other receivables	152	12
Total trade and other receivables	<u>58,944</u>	<u>44,003</u>

4. Transportation vehicles

Movements of the transportation vehicles account during nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2018	552,807
Acquisitions during the period - at cost	67,171
Disposals and written off during the period - net book value at disposal date	(1,226)
Depreciation for the period	(38,917)
Net book value as at 30 September 2018	<u>579,835</u>

As at 30 September 2018, the Company had transportation vehicles under finance lease agreements with net book values amounting to Baht 446 million (31 December 2017: Baht 439 million).

5. Leasehold improvement and equipment

Movements of the leasehold improvement and equipment account during nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2018	9,348
Acquisitions during the period - at cost	1,025
Depreciation for the period	<u>(1,297)</u>
Net book value as at 30 September 2018	<u><u>9,076</u></u>

6. Bank overdrafts

		(Unit: Thousand Baht)	
	Interest rate (percent per annum)	30 September 2018	31 December 2017
			(Audited)
Bank overdrafts	MOR	<u>12,942</u>	<u>-</u>
Total		<u><u>12,942</u></u>	<u><u>-</u></u>

As at 30 September 2018, the bank overdraft credit facilities of the Company which have not yet been drawn down amounted to Baht 11.1 million (31 December 2017: Nil).

7. Trade and other payables

	(Unit: Thousand Baht)	
	30 September 2018	31 December 2017
		(Audited)
Trade accounts payable	29,121	24,833
Trade accounts payable - related parties (Note 2)	1,234	1,142
Other payables	788	562
Accounts payables - purchase of fixed assets	507	835
Accrued expenses	6,993	4,235
Accrued expenses - related parties (Note 2)	3,392	3,826
Advance receipt	<u>331</u>	<u>337</u>
Total	<u><u>42,366</u></u>	<u><u>35,770</u></u>

8. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	30 September 2018	31 December 2017
		(Audited)
Liabilities under finance lease agreements	328,476	351,035
Less: Deferred interest expenses	(22,215)	(28,321)
Total	306,261	322,714
Less: Portion due within one year	(107,272)	(95,449)
Liabilities under finance lease agreements - net of current portion	<u>198,989</u>	<u>227,265</u>

The Company has entered into the finance lease agreements with the leasing companies for rental of transportation vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 4 - 5 years.

Movements of the liabilities under finance lease agreements account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2018	322,714
Add: additional liability during the period	61,496
Less: payments during the period	(77,949)
Balance as at 30 September 2018	<u>306,261</u>

9. Warrants

	(Units)
Outstanding as at 1 January 2018	97,286,933
Exercised during the period	(2,001,406)
Outstanding as at 30 September 2018	<u>95,285,527</u>

In December 2017, the warrant holders exercised the warrant totaling 26.46 million units and the Company issued 26.46 million ordinary shares at Baht 0.25 per share, the exercise price is Baht 0.85 per share, totaling Baht 22.49 million. The Company registered the subscription of the newly issued and fully paid up shares with the Ministry of Commerce on 8 January 2018.

In June 2018, the warrant holders exercised the warrant totaling 2 million units and the Company issued 2 million ordinary shares at Baht 0.25 per share, the exercise price is Baht 0.85 per share, totaling Baht 1.7 million. The Company registered the subscription of the newly issued and fully paid up shares with the Ministry of Commerce on 4 July 2018.

10. Dividend

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividends for 2016	Annual General Meeting of the shareholders on 3 April 2017		
- Cash		5.9	0.014
- Stock dividend		13.8	0.031
Total dividends for the nine-month period ended 30 September 2017		<u>19.7</u>	<u>0.045</u>
Dividends for 2017	Annual General Meeting of the shareholders on 2 April 2018		
Total dividends for the nine-month period ended 30 September 2018		<u>15.6</u>	<u>0.030</u>

11. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>1,744</u>	<u>1,187</u>	<u>4,892</u>	<u>1,067</u>
Tax expenses reported in the statement of comprehensive income	<u>1,744</u>	<u>1,187</u>	<u>4,892</u>	<u>1,067</u>

12. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period.

The following table sets forth the computation of basic and diluted earnings per share:

	Profit for the three-month		Weighted average number of		Earnings per share	
	periods ended 30 September		ordinary shares			
	2018	2017	2018	2017	2018	2017
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit for the period	10,694	8,354	523,464	495,000	0.020	0.017
Effect of dilutive potential ordinary shares						
Warrant offered to existing shareholders (ATP30-W1)	-	-	48,316	62,275		
Diluted earnings per share						
Profit attributable to equity holders of the Company assuming the conversion of warrants to ordinary shares	10,694	8,354	571,780	557,275	0.019	0.015
	Profit for the nine-month		Weighted average number of		Earnings per share	
	periods ended 30 September		ordinary shares			
	2018	2017	2018	2017	2018	2017
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit for the period	30,496	15,694	522,152	495,000	0.058	0.032
Effect of dilutive potential ordinary shares						
Warrant offered to existing shareholders (ATP30-W1)	-	-	51,512	33,302		
Diluted earnings per share						
Profit attributable to equity holders of the Company assuming the conversion of warrants to ordinary shares	30,496	15,694	573,664	528,302	0.053	0.030

13. Segment information

The Company's principal operating segment is transport services. Its operation is carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. Therefore, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

14. Commitments and contingent liabilities**14.1 Operating lease commitments**

The Company has entered into several lease agreements in respect of the lease of land, building space and equipment. The terms of the agreements are generally between 3 to 5 years.

Future minimum lease payments required under these operating leases contracts were as follows:

	<u>30 September 2018</u>	<u>31 December 2017</u>
		(Audited)
		(Unit: Million Baht)
Payable:		
In up to 1 year	3.2	2.4
In over 1 and up to 5 years	1.9	2.9

14.2 Long-term service commitment

The Company has entered into a service contract with a company ("the counterparty"), whereby the counterparty will provide services regarding financial advisory. The Company commits to pay a service fee of Baht 1 million which will due on 23 May 2019.

14.3 Bank guarantee

As at 30 September 2018, there were outstanding bank guarantees of Baht 6.7 million (31 December 2017: Baht 9.6 million) issued by banks on behalf of the Company as required in the normal course of business.

15. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 6 November 2018.