



No. ATP30 9/2020

12 May 2020

Subject Management Discussion and Analysis for the first quarter ended 31 March 2020

Attention President

Stock Exchange of Thailand

Attachment: Independent Auditor's Review report and interim financial information.

ATP30 Public Company Limited (“the Company”) would like to report the operating result of three-month period ended 31 March, 2020 according to the Company's financial statement which the details are as follows:

(Unit: Million Baht)

	For 3-month period (Jan. - Mar.)			
	2020	2019	Change	% Increase (Decrease)
Service income	103.00	112.89	(9.89)	(8.76%)
Cost of services	(81.50)	(82.53)	1.03	(1.25%)
Gross Profit	21.50	30.36	(8.86)	(29.18%)
Other income	0.07	0.56	(0.49)	(87.50%)
Administrative expenses	(12.10)	(12.99)	0.89	(6.85%)
Finance cost	(2.77)	(3.66)	0.89	(24.32%)
Impairment loss on trade accounts receivable	(0.62)	-	(0.62)	-
Income tax expense	(0.63)	(2.10)	1.47	(70.00%)
Profit for the period	5.45	12.17	(6.72)	(55.22%)

From an outbreak of corona virus infection to affect the tourism sector in February and Emergency decree measure have had a severe impact on economic activities since mid-March, the company has been impacted by reduced service income and the company has applied the financial reporting standards which are effective on 1 January 2020 such;





Financial reporting standards no.9 “Financial Instrument” for estimate the allowance for loss of trade receivables, affecting the recognition of liabilities in the amount of 2.49 million baht. Retained earning as of 1 January 2020 in the amount of 1.50 million baht, Deferred tax assets in the amount of 0.37 million baht and Impairment loss on trade accounts receivable in the amount of 0.62 million baht.

Financial reporting standards no.16 “Leases”, the company estimates of operating lease agreement for the three-month period of 2020, consisted to the parking area lease, office building lease, and copy machines rental, which affecting recognition such 1. Right-of-use assets and Lease liabilities amount of 4.85 million baht and 2. Liability amount of 0.51 million baht, depreciation amount of 0.49 million baht, and interest expense amount of 0.02 million baht.

Service income

For the three-month period in 2020, the company had service income equal to 103.00 million baht, a decrease of 9.89 million baht or equivalent to 8.76 percent compare to the same period of the previous year, the result of service contracts non renewal and the existing clients is affecting to the above situation as reduction production and working time are affecting to the company’s service decreased. There are two new clients during this quarter but the revenue recognition is nor full instrument, and the company invested in additional twenty-two service vehacles, divided into sixteen buses and six minibuses for service provider to the new and existing clients within the first quarter of 2020 and the second quarter of 2020.

As of 31 March 2020, the company has a total of 330 services vehicles, consisting of 208 buses, 36 mini-buses, 79 vans and 7 VIP vans.

Gross profit and Gross profit margin

For the three-month period of 2020, the Company had gross profit equal to 21.50 million baht or equivalent to gross profit margin of 20.87, decreased when compared to the previous year with gross profit of 30.36 million baht or equivalent to 26.89. This is due to a decrease in service income and an increase in cost of service due to the service buses and drivers provided for two new clients, the service launched, the resulting their gross profit and gross margin decreased.





Other income

Other incomes consist of interest income from bank deposits, profit from sales of depreciated buses and sales of deteriorated parts, and others such other additional service providing service for affiliated buses, provident fund refunds of resignation employees etc. For the three-month period of 2020, the company had other incomes equal to 0.07 million baht, a decrease of 0.49 million baht or 87.50 percent from the same period of the previous year.

Administrative expenses

For the three-month period of 2020, the company had administrative expenses of 12.10 million baht, a decrease of 0.89 million baht or equivalent to 6.85 percent from the same period of the previous year.

Finance cost

For the three-month period in 2020, the company had financial expenses of 2.77 million baht, a decrease of 0.89 million baht or equivalent to 24.32 percent from the same period of the previous year. Although during this period of the year, the company has been continued to invest in service buses, however the interest rate has been reduced, approximately 3.20 - 3.50 resulting in reduced financial expenses.

As of 31 March 2020, the Company has 188 vehicles under the remaining finance lease, with the installments payment due in 2020 consist to 3 buses in Quarter 3 and 3 buses in Quarter 4 , for the year 2021 amount of 42 buses, for the year 2022 amount of 63 buses, for the year 2023 amount of 55 buses, for the year 2024 amount of 6 buses, and for the year 2025 amount of 16.

Income tax expense

Income tax expenses consist of corporate income tax (Por Ngor Dor 50) and deferred income tax consist of provision for employee benefits. Tax losses (Por Ngor Dor 50) and accounting base and tax base effects under financial lease agreements and residual values of transportation vehicles. For the three-month period of 2020, the company had income tax expense equal to 0.63 million baht, a decrease of 1.47 million baht or equivalent to 70.00 percent, a deferred income tax of 0.55 million baht and 0.08 million baht of coporate income tax.





Profit for the period and Net Profit Margin

Referring to the above factors, the net profit for the three-month period ended 31 March 2020 equal to 5.45 million baht or a net profit margin of 5.29 compared to the same period last year with a profit for the period of 12.17 million baht or equivalent to a net profit margin of 10.73

The decline in profit for the period and net profit margin caused of service revenue has decreased and the effect of the revised financial reporting standard no.9 “Financial Instruments” and no.16 “Leases”

Please be informed accordingly,

Yours Sincerely,

(Mr. Piya Techakul)
Managing Director

