

Subject Management Discussion and Analysis for second quarter ended 30 June 2019

Attention President

Stock Exchange of Thailand

Attachment Independent Auditor's Report on Review of Interim Financial Information

ATP30 Public Company Limited (“the Company”) would like to report the operating result of 3-month and 6-month period ended 30 June, 2019 according to the Company's financial statement which the details are as follows:

(Unit: Million Baht)

Description	For 3-month period (Apr - Jun)			
	2019	2018	Change	% Increase (Decrease)
Service income	113.65	101.32	12.33	12.17
Cost of services	(83.95)	(75.99)	(7.96)	10.48
<b>Gross Profit</b>	<b>29.70</b>	<b>25.33</b>	<b>4.37</b>	<b>17.25</b>
Other incomes	0.75	0.78	(0.03)	(3.85)
Administrative expenses	(14.06)	(11.41)	(2.65)	23.23
Financial cost	(3.35)	(3.98)	0.63	(15.83)
Tax expenses	(1.80)	(1.41)	(0.39)	27.66
<b>Profit for the period</b>	<b>11.24</b>	<b>9.31</b>	<b>1.93</b>	<b>20.73</b>

(Unit: Million Baht)

Description	For 6-month period (Jan - Jun)			
	2019	2018	Change	% Increase (Decrease)
Service income	226.54	202.16	24.38	12.06
Cost of services	(166.48)	(149.08)	(17.40)	11.67

Description	For 6-month period (Jan - Jun)			
	2019	2018	Change	% Increase (Decrease)
Gross Profit	60.06	53.08	6.98	13.15
Other income	1.31	0.89	0.42	47.19
Administrative expenses	(27.05)	(22.95)	(4.10)	17.86
Financial cost	(7.01)	(8.07)	1.06	(13.14)
Tax expenses	(3.90)	(3.15)	(0.75)	23.81
Profit for the period	23.41	19.80	3.61	18.23

### Service income

For the 3-month period ended 30 June 2019, the Company's revenue from services was THB 113.65 million, an increase of THB 12.33 million or equivalent to 12.17 percent growth compared to the same period previous year. For the 6-month period ended 30 June 2019, the Company's revenue from services was THB 226.54 million, an increase of THB 24.38 million or equivalent to 12.06 percent growth compared to the same period previous year.

An increase in following revenue from services arises from service expansion towards existing clients and new clients.

### Gross Profit and Gross Profit Margin

For the 3-month period ended 30 June 2019, the Company's gross profit was THB 29.70 million or equivalent to gross profit margin 26.13 percent compared to the same period previous year that the Company recorded gross profit to THB 25.33 million or equivalent to gross profit margin of 25.00 percent. For the 6-month period ended 30 June 2019, the Company's gross profit was THB 60.06 million or equivalent to gross profit margin 26.51 percent compared to the same period previous year that the Company recorded gross profit to THB 53.08 million or equivalent to gross profit margin of 26.26 percent.

The increase in gross profit for the 3-month and 6-month period ended 30 June 2019, by the company's revenue from service, cost of service and maintenance costs were decreased. Moreover, the depreciation of a ten years company's vehicles was due.

## Other Incomes

The Company's other incomes consist of the interest received from bank, gain on sales on assets and other income, such as income from rendering management of affiliated vehicles, provident fund return from employee resignation and the sale of deteriorated spare part etc. For the 3-month period ended 30 June 2019, the Company's other income of THB 0.75 million, a decrease of THB 0.03 million or equivalent to 3.85 percent compared to the same period previous year. For the 6-month period ended 30 June 2019, the Company's other income of THB 1.31 million, an increase of THB 0.42 million or equivalent to 47.19 percent growth compared to the same period previous year. The company's other incomes are increased for the 6-month period, mostly by the sole deteriorated spare part.

## Administrative Expenses

For the 3-month period ended 30 June 2019, the Company's had Administrative Expenses of THB 14.06 million, an increase of THB 2.65 million or equivalent to 23.23 percent growth compared to the same period previous year. For the 6-month period ended 30 June 2019, the Company's had Administrative Expenses of THB 27.05 million, an increase of THB 4.10 million or equivalent to 17.86 percent growth compared to the same period previous year.

The increase in 3-month period administrative expenses mainly due to salary and other employees benefits in accordance with manpower. Additional legal severance pay rates for employee has worked consecutively for twenty years or more, the compensation rate of the employee shall be paid for not less than 400 days for the final wage rate and The Company had additional employee benefits expenses of Baht 1.31 million.

## Financial Costs

For the 3-month period ended 30 June 2019, the Company had Financial Cost of THB 3.35 million, a decrease of 0.63 million baht or equivalent to 15.83 percent compared to the same period previous year. For the 6-month period ended 30 June 2019, the Company had Financial Cost of THB 7.01 million, a decrease of 1.06 million baht or equivalent to 13.14 percent compared to the same period previous year.

The Company paid interest on financial leases (Financial Lease and Hire-purchase agreements). This is due the continued funding of vehicles. However, the interest rate charged to financial leases is lower (Interest rates were 3.58 - 3.85 percent from January to June period).



As at 30 June 2019, the Company currently has a total of 196 binding with financial lease contracts in which the number of vehicles terminate for the year of 2019 comprised of 6 vehicles in the third quarter and 7 vehicles in the fourth quarter, and in the next following years; from 2020 to 2023 as 45 vehicles, 25 vehicles, 63 vehicles and 50 vehicles respectively.

### **Net Profit and Net Profit Margin**

For the 3-month period ended 30 June 2019, the Company's net profit was THB 11.24 million or equivalent to the net profit margin of 9.83 percent compared to the same period previous year that the Company recorded net profit to THB 9.31 million or equivalent to gross profit margin of 9.12 percent and For 6-month the Company's net profit was THB 23.41 million or equivalent to the net profit margin of 10.27 percent compared to the same period previous year that the Company recorded net profit to THB 19.80 million or equivalent to gross profit margin of 9.75 percent

For 3-month and 6-month ended 30 June 2019, the Company's net profit and profit margin increased due to the service increased a result of service provision, management of maintenance costs, oil consumption rate had improved, and more over the depreciation of ten years company's vehicles.

Please be informed accordingly,

Yours Sincerely,

(Mr. Piya Techakul)  
Managing Director

