

No. ATP30 4/2018

26 February 2018

Subject Management Discussion and Analysis for the year ended 31 December 2017

Attention President

Stock Exchange of Thailand

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

ATP30 Public Company Limited (“the Company”) would like to report the operating result for the year ended 31 December 2017 according to the Company’s financial statement which the details are as follows:

(Unit: million Baht)

Description	For three month period (Oct - Dec)			
	2017	2016	Change	% Increase (Decrease)
Service income	95.44	77.18	18.26	23.66%
Cost of services	(70.78)	(58.59)	(12.09)	20.60%
Gross profit	24.66	18.49	6.17	33.37%
Other income	0.13	0.47	(0.34)	(72.34%)
Administrative expenses	(8.88)	(8.27)	(0.61)	7.38%
Financial cost	(3.58)	(3.76)	0.18	(4.79%)
Income tax expenses	(1.77)	(3.46)	(1.69)	(48.84%)
Net Profit	10.56	3.47	7.09	204.32%

Description	For the year 2017 (Jan - Dec)			
	2017	2016	Change	% Increase (Decrease)
Service income	347.50	300.78	46.72	15.53%
Cost of services	(266.25)	(229.03)	(37.22)	16.25%
Gross profit	81.25	71.75	9.50	13.24%
Other income	1.14	1.80	(0.66)	(36.67%)
Administrative expenses	(39.64)	(32.73)	(6.91)	21.11%
Financial cost	(13.66)	(15.72)	2.06	(13.10%)
Income tax expenses	(2.84)	(3.17)	0.33	(10.41%)
Profit for the year	26.25	21.93	4.32	19.70%

Service income

For 3-month period ended 31 December 2017, the Company's revenue from services was THB 95.44 million, rose by THB 18.26 million or equivalent to a 23.66 percent growth; whereas, For the year ended 31 December 2017, the Company realised the revenue from services of THB 347.50 million, increased by THB 46.72 million or up 15.53 percent.

An increase in following revenue from services arises from service expansion towards existing clients and new clients, as initial service in quarter 4 of 2017 there are three new clients which served 26 Buses and 5 Vans so recognized service income as actual service time.

Gross Profit and Gross Profit Margin

For 3-month period ended 31 December 2017, the Company's gross profit stood at THB 24.66 million or equivalent to gross profit margin of 25.84 percent compared to the same period last year that the Company posted gross profit of THB 18.49 million or equivalent to gross profit margin of 23.96 percent. For the year ended 31 December 2017, the Company's gross profit was THB 81.25 million or equivalent to gross profit margin of 23.38 percent compared to the same period previous year that the Company recorded gross profit of THB 71.75 million or equivalent to gross profit margin of 23.85 percent.

However, in both 3-month period ended 31 December 2017, the Company's gross profit margin increased. Due to more effective cost control such fuel costs, maintenance costs etc.

Administrative expenses

For 3-month period ended 31 December 2017, the Company had administrative expenses of THB 8.82 million, increased by THB 0.61 million or equivalent to a 7.38 percent growth compared to the same period last year. Whereas, for the year ended 31 December 2017, the Company's administrative expenses accounted for THB 39.64 million, grew by THB 6.91 million or equivalent to up 21.11 percent. An increase in administrative expenses was due to a growing salary expenses to extending workforce in order to accommodate business expansion. Furthermore, the Company had additional expense from the issuance of its financial instrument (The warrants to purchase newly issued shares of ATP30 Public Company Limited No.1: ATP30-W1) in four occasions exercise period on December 29, 2017, June 29, 2018, December 28, 2018, and May 23, 2019.

Financial cost

For 3-month period ended 31 December 2017, the Company had financial cost from the financial lease and hire-purchase contracts of THB 3.58 million, decreased by THB 0.18 million or equivalent to down 4.79 percent compared to the same period last year. Similarly, for the year ended 31 December 2017, the Company saw its financial costs of THB 13.66 million, decreased by THB 2.06 million or down 13.10 percent year-on-year.

For the year 2017, the Company had constantly repaid interest for financial lease (Financial Lease and Hire-Purchase contracts) caused by investing in new 63 vehicles to accommodate its business expansion. The Company saw its lower interest burden for the year 2017 (interest rate received from January to December were quoted between 3.70 and 4.05 percent).

As of 31 December 2017, the Company has 163 vehicles. During the year, the Company had 32 matured finance leases. And for the remaining finance lease agreements, the contract will be completed in 2018, 19 vehicles in 2019, 27 vehicles in 2020, 46 vehicles in 2021, 26 vehicles and 2522 in 45 vehicles.



Net Profit and Net Profit Margin

For 3-month period ended 31 December 2017, the Company's net profit was THB 10.56 million or equivalent to the net profit margin of 11.05 percent compared to the same period last year that the Company's net profit was THB 3.47 million or equivalent to the net profit margin of 4.47 percent. Of which, for the year ended 31 December 2017, the Company recorded the net profit of THB 26.25 million or equivalent to the net profit margin of 7.53 percent compared to the same period last year that the Company's net profit was THB 21.93 million or equivalent to the net profit margin of 7.25 percent.

For three month period ended 31 December 2017, the company's net profit margin was increased according to efficient of services cost controlling. The bus renovation, for bus lifetime increasing is on time expense however the net profit for the year 2017 is higher than the year 2016.

Please be informed accordingly,

Yours Sincerely,

(Mr. Piya Techakul)
Managing Director

