

## No. ATP30 13/2559

November 9, 2016

Subject Management Discussion and Analysis Quarterly ended September 30, 2016

Attention President

Stock Exchange of Thailand

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

ATP30 Public Company Limited ("the Company") would like to report the operating result of 3-month and 9-month period ended September 30, 2016 according to the Company's financial statement which the details are as follows:

(Unit: Million baht)

	For 3 months (July-September)				
	2016	2015	Change	% Change Increase	
				(Decrease)	
Service Revenue	79.35	67.92	11.43	16.83%	
Cost of Services	(60.65)	(52.57)	(8.08)	15.37%	
Gross Profit	18.70	15.35	3.35	21.82%	
Other Incomes	0.36	0.21	0.15	71.43%	
Administrative Expenses	(8.06)	(9.85)	1.79	(18.17%)	
Financial Expenses	(4.03)	(4.98)	0.95	(19.08%)	
Tax Expenses	0.97	1.29	(0.32)	(24.81%)	
Net Profit	7.94	2.02	5.92	293.07%	

(Unit: Million baht)

	For 9 months (January-September)				
	2016	2015	Change	% Change Increase (Decrease)	
Service Revenue	223.60	196.92	26.68	13.55%	
Cost of Services	(170.34)	(153.62)	(16.73)	10.89%	
Gross Profit	53.26	43.30	9.96	23.00%	
Other Incomes	1.33	1.19	0.14	12.05%	
Administrative Expenses	(24.46)	(22.69)	(1.77)	7.79%	
Financial Expenses	(11.96)	(14.79)	2.83	(19.14%)	
Tax Expenses (Income)	0.29	(0.95)	1.24	(130.62%)	
Net Profit	18.46	6.06	12.40	204.77%	



## Revenue from Services

For 3 months period ended September 30, 2016, the Company's service revenue was THB 79.35 million, increased by THB 11.43 million or a 16.83 percent growth compared to the same period last year. For 9 months period ended September 30, 2016, the Company's service revenue was THB 223.60 million, increased by THB 26.68 million or a 13.35 percent growth compared to the same period last year.

An increase in the Company's service revenue arising from an expansion of services for increasing portion of existing accounts and new accounts embarking on late second quarter of 2016. As a result, the Company was currently holding 27 service contracts in total at the end of September 30 2016. In terms of revenue stream, the Company shall fully record revenue from those clients since this quarter onwards.

## Gross Profit and Gross Profit Margin

For 3 months period ended September 30, 2016, the Company's gross profit was THB 18.70 million or equivalent to the gross profit margin of 23.57 percent compared to the same period last year that the Company's gross profit was THB 15.35 million or equivalent to the gross profit margin of 22.60. For 9 months period ended September 30, 2016, the Company's gross profit was THB 53.26 million or equivalent to the gross profit margin of 23.82 percent compared to the same period last year where the Company's gross profit was THB 43.30 million or equivalent to the gross profit margin of 21.99 percent.

The Company's gross profit and gross profit margin for 3-month and 9-month period are heightened by a surge in the Company's service revenue and more efficient way to manage fuel cost and maintenance cost.

# Other Incomes

The Company's other incomes composes of revenue from additional management for affiliated vehicles, interests from deposits and gains from sales on deferred assets. For 3 months period ended September 30, 2016, the Company's other incomes was THB 0.36 million, increased by THB 0.15 million or equivalent to a 71.43 percent hike compared to the same period last year. For 9 months period ended September 30, 2016, the Company's other incomes was THB 1.33 million, jumped by THB 0.14 million or equivalent to a 12.05 percent gain compared to the same period last year.

#### Administrative Expenses

For 3 months period ended September 30, 2016, the Company's administrative expenses was THB 8.06 million, decreased by THB 1.79 million or equivalent to a 18.17 percent decline compared to the same period the year before. For 9 months period ended September 30, 2016, the Company's administrative expenses was THB 24.46 million, increased by THB 1.77 million or equivalent to a 7.79 percent growth compared to the same period the year before. A rise in administrative expenses during 2016 was due to growing workforce, increasing salary rate and higher employee's benefits in line with the ongoing business expansion.



## Financial Costs

For 3 months period ended September 30, 2016, the Company had its financial costs of THB 4.03 million, dropped by THB 0.95 million or down 19.08 percent year-on-year. For 9 months period ended September 30, 2016, the Company had its financial costs of THB 11.96 million, decreased by THB 2.83 million or down 19.14 percent year-on-year.

During the period of the year 2016, the Company has made a new investment on vehicles by using the financial lease contracts. In the first quarter, the Company purchased additional 24 vehicles consisting of 12 buses, 11 vans and 1 operating vehicle. The Company has subsequently invested another 4 buses in the second quarter and bought more 6 vehicles in the third quarter which could be divided into 3 buses and 3 vans in order to serve its business expansion. Following its investments, the Company has made financial lease contracts which its interest rate ranging from 4.40 - 5.13 percent deemed to be lower than the previous rate last year. This is because the Company has capitalized a part of raising capital from IPO to pile a down-payment in fleet expansion according to the Company's financial plan. Moreover, the interest paid from prevailing financial lease contracts is lower as a consequence of decreasing portion of outstanding balance; therefore, resulting in the diminishing level of interest burden despite more investment to increase the number of vehicles to accommodate its business expansion.

### Net Profit and Net Profit Margin

For 3 months period ended September 30, 2016, the Company's net profit was THB 7.94 million or equivalent to the net profit margin of 9.96 percent, increased by 293.07 percent as opposed to the same period last year that the Company recorded the net profit of THB 2.02 million or equivalent to the net profit margin of 2.96 percent. For 9 months period ended September 30, 2016, the Company's net profit was THB 18.46 million or equivalent to the net profit margin of 8.21 percent, increased by 204.77 percent compared to the same period last year that the Company recorded the net profit of THB 6.06 million or equivalent to the net profit margin of 3.06 percent.

A gain in net profit and net profit margin results from the increasing revenue stream from services and the efficient fuel and maintenance management as mentioned above. In addition, the Company has received lower financial costs and tax benefit from the government policy in Investment Promotion Act according to the Director General's Notification on Income Tax No.266.

Please be informed accordingly,

Yours sincerely,

(Mr. Piya Techakul)

Managing Director