



บริษัท อาม่า มารีน จำกัด (มหาชน)
AMA MARINE PUBLIC CO., LTD.

ทะเบียนเลขที่ 0107559000231

No. CS/EL/AMA012/2017

May 8, 2017

Subject: Management Discussion & Analysis 1Q/2017

Attention: Director and Manager

The Stock Exchange of Thailand

Management Discussion and Analysis 1Q/2017

AMA Marine Public Company Limited ("The Company" or "AMA") was established in 1996 to operate sea freight service.

AMA presently focuses on international liquid logistics service by tankers. AMA has 8 Oil and Chemical tankers with 3,000 – 13,000 Deadweight tonnage (DWT) as at 31st March 2017.

In addition, A.M.A. Logistic Company ("AMAL"), a subsidiary company of which AMA holds 100.00 percent shares of registered capital, to service domestically land liquid logistics service. AMAL has 120 tank trucks with maximum capacity 45,000 liters per truck as at 31st March 2017.

Operation Result

1) Revenue

Revenue structure	1Q/2017		1Q/2017	
	Million Baht	Percent	Million baht	Percent
<u>International liquid logistic service</u>				
Service income	116.25	63.94	221.45	68.30
Demurrage charge	13.48	7.41	11.53	3.56
Total revenue from tankers	129.73	71.36	232.98	71.86
<u>Domestic land logistic service</u>				
Service income	52.07	28.64	91.23	28.14
Total revenue from tank trucks	52.07	28.64	91.23	28.14
Total revenue from services	181.80	100.00	324.21	100.00

The Company's revenue includes (1) international liquid logistics service by tankers (2) Domestic land logistics service by tank trucks. The revenues in 1Q/2016 were 71.36% and 28.64%, and the revenues in 1Q/2017 were 71.86% and 28.14% respectively.

In 1Q/2017 the company's consolidated revenues increased 78.33% to post at THB 324.21 million due to the expansion of tanker's fleet and service contract from PTGLG for land transportation that would result in the jump of revenues in 1Q/2017 compare to the same period of last year.

2) Cost of goods sold (COGs)

In 1Q/2017, the Company's COGs grew up by 77.10% to record at THB 233.91 million which in line with the growth of the company's revenues.

3) Gross profit and Gross profit margin

In 1Q/2016 and 1Q/2017, the Company's gross profit was THB 49.73 million and THB 90.30 million respectively, its gross profit margin was 27.35% and 27.85% consequently. The Company can maintain the gross profit margin at almost the same level compared to the same period last year.

4) Other incomes

In 1Q/2016 and 1Q/2017, the Company's other incomes were THB (4.01) million and THB 14.10 million respectively. The major factor of other incomes came from the effect of change in foreign exchange rate in conjunction with the Accounting Standards TAS 21 (Revised 1Q/2016). The Company has set up the USD as its functional

currency, therefore; there will be profit (loss) from different exchange rate at the day of revenue recognition and expense recognition. The Company had loss from currency exchange of THB 4.11 million in 1Q/2016 and had profit from currency exchange of THB 9.22 million in 1Q/2017. Moreover the company also had gain from sale of MT "Yanee" of THB 4.6 million which was booked in other incomes in 1Q/2017.

5) Selling expense

In line with the growth of the company's revenues, the company's selling expense which mostly from the commission fee was increased from THB 4.56 million in 1Q/2016 to THB 9.39 million or increased by 105.92%.

6) Administrative expense

In 1Q/2016 and 1Q/2017, the Company had Administrative expense of THB 15.66 million and THB 23.82 million consequently. Administrative expense was being increased up to THB 8.16 million or 52.11%. The increase of Administrative expense was the result from the business expansion in both tankers and tank trucks. The main administrative expense comprised of salary, rental, PR and etc.

7) Financial cost

Financial cost has been surged by 56.74% from the same period last year to post at THB 11.74 million due to the increase of loan for vessel acquisition and the leasing of tank trucks.

8) Net profit

In 1Q/2016 and 1Q/2017, the Company had net profit of THB 15.82 million and THB 57.06 million respectively, its net profit margin was 8.7 percent and 17.6 percent in 1Q/2016 and 1Q/2017 respectively. Net profit of the Company was increased from the business expansion while net profit margin was increased from the gain from currency exchange (as mentioned in no. 4) and gain from sale of M.T. "Yanee"

Financial Status

1) Asset

At the end of 31st December 2016 and 31st March 2017, the Company had total asset of THB 3,260.21 million and THB 3,086.08 million respectively, decreasing from the same period of last year due mainly to the loan prepayment in order to reduce financial cost.

2) Liabilities

At the end of 31st December 2016 and 31st March 2017, the Company had total liabilities of THB 1,160.70 million and THB 1,009.94 million respectively, decreasing from the same period of last year due mainly to the loan prepayment.

3) Equity

At the end of 31st December 2016 and 31st March 2017, the Company had equity of THB 2,099.50 million and THB 2,076.13 million respectively. Equity was decreased mainly from the decreased of exchange difference on transformation of functional currency to present in financial statements.

Statement of cash flows

As of March 31, 2017, AMA had net cash from operation activities of THB (23.58) million, net cash used in investing activities of THB 453.29 million mainly for purchases of PPE. In addition, AMA had net cash used in financing activities of THB 282.22 million to repay loan to financial institution. AMA had cash and cash equivalent at the end of 1Q/2017 of THB 499.39 million.

Yours faithfully

AMA Marine Public Company Limited



(Mr. Pisan Ratchakitprakarn)

Managing Director