



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

ทะเบียนเลขที่ 0107559000231

No. CS/EL/AMA020/2017

August 8, 2017

Subject: Management Discussion & Analysis 2Q2017

Attention: Director and Manager

The Stock Exchange of Thailand

Management Discussion and Analysis 2Q2017

AMA Marine Public Company Limited ("The Company" or "AMA") was established in 1996 to operate marine liquid logistics service.

AMA presently focuses on international liquid logistics service by tankers. AMA has 9 Oil and Chemical tankers with 3,000 – 13,000 Deadweight tonnage (DWT) as at 30<sup>th</sup> June 2017.

In addition, AMA Logistics Company Limited ("AMAL"), a subsidiary company of which AMA holds 99.99% of registered capital, to service domestically land liquid logistics service. AMAL has 125 tank trucks with maximum capacity 45,000 liters per truck as at 30<sup>th</sup> June 2017.

Operation Result

1) Revenue

Revenue structure	2Q2016		2Q2017	
	Million Baht	Percent	Million Baht	Percent
<u>International liquid logistics service</u>				
Service income	159.00	68.90	222.81	66.22
Demurrage charge	6.67	2.89	9.60	2.85
Total revenue from tankers	165.67	71.79	232.41	69.08
<u>Domestic land logistics service</u>				
Service income	65.09	28.21	104.05	30.92
Total revenue from tank trucks	65.09	28.21	104.05	30.92
Total revenue from services	230.76	100.00	336.46	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 2Q2016 were 71.79% and 28.21%, and the revenues in 2Q2017 were 69.08% and 30.92% respectively.

In 2Q2017 the company's consolidated revenues increased 45.80% to post at THB 336.46 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 2Q2017 compare to the same period last year.

#### 2) Cost of goods sold (COGs)

In 2Q2017, the Company's COGs grew up by 53.20% to record at THB 247.15 million.

#### 3) Gross profit and Gross profit margin

In 2Q2016 and 2Q2017, the Company's gross profit was THB 69.43 million and THB 89.30 million respectively, its gross profit margin was 30.09% and 26.54% consequently. The company's gross profit margin dropped from the same period last year due mainly to the pre-operating expenses of buying a new vessel and also earlier than scheduled dry dock for M.T. "Bergprai" before the enforcement of ballast water management system.

#### 4) 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 THB 2.60 million in 2Q2016 to THB 8.42 million or increased by 44.74%.

#### 5) Administrative expense

In 2Q2016 and 2Q2017, the Company had Administrative expense of THB 18.18 million and

THB 24.37 million consequently. Administrative expense was being increased up to THB 6.19 million or 34.04%. Compared with revenue growth, the Company can better manage administrative expense efficiently.

#### 6) Other expense

In 2Q2017, the Company had provision of doubtful accounts (unclaimed VAT) of THB 8.96 million which was not incurred in the same period last year.

#### 7) Financial cost

Financial cost has been surged by 78.14% from the same period last year to post at THB 12.93 million due to the increase of loan for vessel acquisition and the leasing of tank trucks.

#### 8) Net profit

In 2Q2016 and 2Q2017, the Company had net profit of THB 41.03 million and THB 30.69 million respectively, its net profit margin was 17.78% and 9.12% in 2Q2016 and 2Q2017 respectively. Net profit of the Company was decreased from the same period of last year due mainly from currency exchange loss of AMAL as shown in the below table and also the doubtful accounts.

Unit: Million Baht

	Service income	Gross Profit	Gain (Loss) on Exchange rate	Net Profit	Net Profit without Gain (Loss) Exchange rate
2Q2016	65.10	16.10	(1.22)	5.93	7.15
2Q2017	104.05	25.57	(7.19)	5.78	12.96
Increase (Decrease)	38.95	9.47	(5.97)	(0.15)	5.81

**Note:** According to the Accounting Standards TAS 21 (Revised 2016). The Company has set up the USD as its functional currency, therefore; there will be profit (loss) from different in exchange rate at the day of revenue recognition and expense recognition. Both AMAL's revenues and expenses are in THB so profit (loss) from exchange rate should not be considered as a normal operation.



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#### Financial Status

##### 1) Asset

At the end of 31<sup>st</sup> December 2016 and 30<sup>th</sup> June 2017, the Company had total asset of THB 3,260.21 million and THB 3,349.58 million respectively, increasing from the same period of last year due mainly to business expansion.

##### 2) Liabilities

At the end of 31<sup>st</sup> December 2016 and 30<sup>th</sup> June 2017, the Company had total liabilities of THB 1,160.70 million and THB 1,375.54 million respectively, increasing from the same period of last year due mainly to long-term loans from financial institutions.

##### 3) Equity

At the end of 31<sup>st</sup> December 2016 and 30<sup>th</sup> June 2017, the Company had equity of THB 2,099.50 million and THB 1,974.04 million respectively. Equity was decreased mainly from the dividend payment and the decreased of exchange difference on transformation of functional currency to present in financial statements.

#### Statement of cash flows

As of June 30<sup>th</sup>, 2017, AMA had a negative net cash from operation activities of THB 30.25 million, net cash used in investing activities amounting to THB 475.42 million mainly for purchases of PPE. In addition, AMA had net cash used in financing activities of THB 455.85 million to repay loan to financial institution and pay dividends. AMA had cash and cash equivalent at the end of 2Q2017 of THB 287.27 million.

Yours faithfully

AMA Marine Public Company Limited



(Mr. Pisan Ratchakitprakarn)

Managing Director