



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

ทะเบียนเลขที่ 0107559000231

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February 21, 2017

Subject: Management Discussion & Analysis FY2016

Attention: President
The Stock Exchange of Thailand

Management Discussion and Analysis FY2016

AMA Marine Public Company Limited ("The Company" or "AMA") operates the business on sea freight service, focusing on international liquid logistics service by tankers.

As at 31st December 2016, AMA has 8 Oil and Chemical tankers with rated capacity between 3,000 – 13,000 Deadweight tonnage (DWT). In addition, AMA Logistics Company Limited ("AMAL") was established by AMA holding 100.00 percent shares of registered capital, to service domestically land liquid logistics service.

AMAL has 100 tank trucks with maximum capacity 45,000 liters per truck as at 31st December 2016.

Operation Result

1) Revenue

| Revenue structure | 2015 | | 2016 | |
|---|--------------|---------|---------------|---------|
| | Million Baht | Percent | Million /Baht | Percent |
| <u>International liquid logistics service</u> | | | | |
| Service income | 476.35 | 74.06 | 667.91 | 69.18 |
| Demurrage charge | 32.85 | 5.11 | 34.60 | 3.58 |
| Total revenue from tankers | 509.20 | 79.17 | 702.51 | 72.76 |
| <u>Domestic land logistics service</u> | | | | |
| Service income | 133.98 | 20.83 | 262.98 | 27.24 |
| Total revenue from tank trucks | 133.98 | 20.83 | 262.98 | 27.24 |
| Total revenue from services | 643.18 | 100.00 | 965.49 | 100.00 |

The Company's revenue includes

(1) International liquid logistics service by tankers, and

(2) Domestic land logistics service by tank trucks. The revenues in 2015 were at 79.17% and 20.83%, and the revenues in 2016 were at 72.76% and 27.24% respectively.

In 2016 the company's consolidated revenues equal THB 965.49 million, increased THB 322.31 million, or 50.11% increase from the same period as last year's. This is resulting from the expansion of tanker's fleet up to 8 vessels and the entering into the service contract (No.2) with PTG Logistics company Limited ("PTGLG") for domestic land logistics in the 1Q2016 that would result in the jump of revenues in 2016 from the same period of last year's.

2) Cost of goods sold (COGs)

For FY2016, the Company's COGs grew up by 54.26% to record at THB 674.60 million, increased THB 237.29 million which in line with the growth of the company's revenues.

3) Gross profit and Gross profit margin

In 2015 and 2016, the Company's gross profit was THB 205.87 million and THB 290.89 million respectively, its gross profit margin was 32.01% and 30.13% consequently. The Company can maintain the gross profit margin at satisfactory level or above 30% as per the company's policy.

4) Other incomes

In 2015 and 2016, the Company's other incomes were at THB 15.61 million and THB 3.70 million respectively. The major factors of other incomes are from the effect of change in foreign exchange rate in conjunction with the Accounting Standards TAS 21 (Revised 2015). 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 profit from currency exchange of THB 15.02 million in 2015 and a loss from currency exchange of THB 4.62 million in 2016.

5) Selling expense

In 2016, the Company had the selling expense at THB 27.01 million, increased THB 9.32 million, or 52.71%. The main selling expense was the commission fee which grew up according to the delivery quantities from the same period as last year's.

6) Administrative expense

In 2015 and 2016, the Company had Administrative expense of THB 50.98 million and THB 81.70 million, increased up to THB 30.72 million or 60.27%. The increase of Administrative expense was from the increase of employee that is in line with the expansion of businesses. In addition, The company had the other expenses such as facilities, rentals, depreciation, and other expenses to be the listed company in the Stock Exchange of Thailand ("SET").

7) Financial cost

Financial cost equals THB 16.92 million and THB 34.71 million in 2015 and 2016 respectively, increased up to THB 17.79 million or 105.09% resulting from the increased of long term loan for vessel acquisition and the leasing of tank trucks.

8) Net profit

In 2015 and 2016, the Company had net profit of THB 130.12 million and THB 143.91 million respectively, its net profit margin was 20.23 percent and 14.91 percent in 2015 and 2016 consequently. Net profit of the Company was increased from the business expansion, but net profit in this period was decreased from the loss of currency exchange (as mentioned in no.4), including the expenses of employee and management.

Financial Status

1) Asset

At the end of 31st December 2015 and 31st December 2016, the Company had total asset of THB 987.00 million and THB 3,260.21 million respectively, increasing from the same period of last year mainly due to the increase of cash and cash equivalent including the increased of non-current assets such as tankers, land, and vehicles.

2) Liabilities

At the end of 31st December 2015 and 31st December 2016, the Company had total liabilities of THB 485.90 million and THB 1,160.70 million respectively, increasing from financial leases for tank trucks and long term loan from financial institution for vessels.

3) Equity

At the end of 31st December 2015 and 31st December 2016, the Company had equity of THB 501.10 million and THB 2,036.50 million respectively. Equity was increased resulting from the newly issued ordinary shares to

PTGLG on February 2016 and IPO on December 2016, registered capital of the Company was then increased up to THB 105.80 million and share premium equal to THB 1,562.89 million.

Statement of cash flows

As of December 31, 2016, AMA had net cash from operation activities of THB 244.50 million, net cash used on investing activities of THB 305.66 million mainly for purchases of tankers, land, and tank trucks. In addition, AMA had net cash received from financing activities of THB 1,274.77 million from the newly issued ordinary shares to PTGLG and IPO, and also AMA paid dividend last year.

As at 31 December 2016, The Company had total cash and cash equivalent of THB 1,241.95 million

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Yours faithfully

AMA Marine Public Company



(Mr.Pisan Ratchakitprakarn)

Managing Director

Corporate Secretary

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