



November 12<sup>nd</sup>, 2018

**No. :** KIAT 17/2018  
**Subject :** Management Discussion and Analysis Quarter 3 Ending 30 September 2018  
**To :** Managing Director  
The Stock Exchange of Thailand

Kiattana Transportation Public Company Limited (the“**Company**”) would like to explain the Company and its subsidiary’s operating performance of the third quarter of 2018 (Q3/2018) for the period ended September 30<sup>th</sup>, 2018 which was reviewed by auditors, as follows:

**The operating performance of Q3/2018 comparing with Q3/2017**

(Unit: Million Baht)

Profit & Loss	The operating performance of 3 months as of					
	30 September 2018		30 September 2017		Increase (Decrease)	Percentage
	Actual	Percentage	Actual	Percentage		
<b>Total Revenue</b>	<b>333.46</b>	<b>100.00</b>	<b>227.28</b>	<b>100.00</b>	<b>106.18</b>	<b>46.72</b>
Services-Transportation	212.68	63.78	192.09	84.52	20.59	10.72
Services-Warehousing and distribution center, Assets rental	17.19	5.16	11.47	5.05	5.72	49.87
Sales	101.12	30.32	20.69	9.10	80.43	388.74
<b>Major Revenue</b>	<b>330.99</b>	<b>99.26</b>	<b>224.25</b>	<b>98.67</b>	<b>106.74</b>	<b>47.60</b>
Costs of service	182.31	54.67	142.96	62.90	39.35	27.53
Costs of sales	65.49	19.64	15.92	7.00	49.57	311.37
<b>Total costs</b>	<b>247.80</b>	<b>74.31</b>	<b>158.88</b>	<b>69.90</b>	<b>88.92</b>	<b>55.97</b>
<b>Gross profit</b>	<b>83.19</b>	<b>24.95</b>	<b>65.37</b>	<b>28.76</b>	<b>17.82</b>	<b>27.26</b>
Selling and administrative expenses	56.50	16.94	42.34	18.63	14.16	33.44
<b>Profit before interests and tax</b>	<b>29.16</b>	<b>8.74</b>	<b>26.06</b>	<b>11.47</b>	<b>3.10</b>	<b>11.90</b>
Interest + income tax expense	(1.78)	(0.53)	4.01	1.76	(5.79)	(144.39)
<b>Net Profit</b>	<b>30.94</b>	<b>9.28</b>	<b>22.05</b>	<b>9.70</b>	<b>8.89</b>	<b>40.32</b>

Remark:\*the aspect ratio of percentage calculated from total revenue






**Revenues** For quarter 3/2018, the company and its subsidiary's total revenue were Baht 333.46 million, increased by Baht 106.18 million or equivalent to 46.72%, compared with quarter 3/2017. The majority cause is the increased revenues from chemicals product selling, comprising with:

(Unit: Million Baht)

Revenues	Revenues		Increase/ Decrease	Percentage
	Q3/2018	Q3/2017		
Services-Transportation	212.68	192.09	20.59	10.72
Services-Warehousing and distribution center, Assets rental	17.19	11.47	5.72	49.87
Sales	101.12	20.69	80.43	388.74
<b>Major Revenue</b>	<b>330.99</b>	<b>224.25</b>	<b>106.74</b>	<b>47.60</b>

For the quarter 3/2018, the company and its subsidiary's revenues from transportation service, container loading service, assets rental, driver behavior monitoring service and sales were Baht 330.99 million, comprising with:

-  Revenues from transportation service which is the company major income were Baht 212.68 million or 63.78% of total revenue. Increasing from the same period of the previous year by Baht 20.59 million or equivalent to 10.72%. The majority of increased revenues is from rail transportation service of the subsidiary which the company acquired on July 7<sup>th</sup>, 2018.
-  Revenues from container loading service, assets rental and revenues from driver behavior monitoring service were Baht 17.19 million, equivalent to 5.16% of total revenue, increasing from the same period of the previous year by Baht 5.72 Million or equivalent to 49.87% The majority of increased revenues is from container loading service of subsidiary which the company acquired on July 7<sup>th</sup>, 2018. But the revenue from warehousing and distribution center service decreased due to the customer cease their business on zinc minerals.
-  Revenues from the trading business were Baht 101.12 million equivalent to 30.32% of total revenue. Increasing from the same period of the previous year by Baht 80.43 Million or increased by 388.74%, due to the company gains new customer.



**Total cost** For quarter 3/2018 the company and its subsidiary's total cost were Baht 247.80 million or 74.31% of total revenue. While the company total cost of the same quarter of the previous year were Baht 158.88 million or 69.90% of total revenue. The total cost increase from quarter 3/2017 was Baht 88.91 million. The primary cause is the Company has more sales on chemicals products from new customer and the Company acquired new business on September 7<sup>th</sup>, 2018 which cause the increasing costs of sales and services relating with the revenue.

For Quarter 3/2018, the company and its subsidiary's gross profit were Baht 83.19 Million in total, or equivalent to 24.95% of total revenue.

**Selling and Administrative expenses** The Company and its subsidiary's selling and administrative expenses for quarter 3/2018 were Baht 56.50 million, increasing from the same quarter of the previous year by Baht 14.16 million or increasing equivalent to 9.83%. The increased expenses owing to the estimated loss from the impairment of an indirect subsidiary and exportation expense which related to the increase of sales.

**Interests & Income Tax expenses** The interests and income tax expenses for quarter 3/2018 were Baht -1.78 million or equivalent to -0.53% of total revenue, which decrease from the same quarter of previous year by Baht 5.79 million. Due to the company has deferred tax from fair value evaluation of the asset acquired.

**Net profit** The Company and its subsidiary's net profit for quarter 3/2018 were Baht 30.94 Million or equivalent to 9.28% of total revenue, which increased from quarter 3/2017 by Baht 8.89 million or increased by 40.32%. The majority cause is the increase of sales.

Please be informed accordingly.

Yours sincerely,

(Mr.Kiatichai Monsereenusorn)

Managing Director

Authorized to disclosed the company information