



บริษัท วี.แอล. เอ็นเตอร์ไพรส์ จำกัด (มหาชน) / V.L. Enterprise Public Company Limited
41 ถนนอโศก-ดินแดง แขวงมักกะสัน เขตราชเทวี กรุงเทพฯ 10400 โทร. 0-2254-6604-5 โทรสาร 0-2254-8749

13 August 2019

Subject Management Discussion and Analysis for 3-month period ended 30 June 2019

To President
The Stock Exchange of Thailand

V.L. Enterprise Public Company limited would like to clarify the overview and changes in the operating results for the first quarter of the year 2019 ("Q2/2019") ended as at 30 June 2019 as the following details.

1. Income Statement

Unit : MB Baht	Q1-2019	Q2-2019	Q2-2018	1H/2019	1H/2018
Service Revenue	185.73	181.20	170.08	366.93	338.81
Cost of service revenue	(135.28)	(137.46)	(131.19)	(272.75)	(265.57)
Gross Profit	50.45	43.73	38.89	94.18	73.24
Other income	0.58	0.11	0.45	0.69	1.05
Administrative expenses	(12.61)	(13.51)	(11.10)	(26.11)	(21.25)
Interest Expenses	(12.19)	(12.63)	(10.16)	(24.82)	(20.18)
Tax Expenses	(2.81)	(0.62)	(1.94)	(3.43)	(2.40)
Net Profit	23.42	17.09	16.13	40.51	30.46
EBITDA	62.91	57.58	54.42	120.49	104.93
Gross Profit Margin (%)	27.16%	24.14%	22.86%	25.67%	21.62%
Net Profit Margin (%)	12.57%	9.42%	9.46%	11.02%	8.96%
Basic earnings per share	0.04	0.03	0.03	0.06	0.09

➤ Revenue

Service Revenue

In Q2/2019 Total service revenue was 181.20 million baht which composed of 137.62 million baht of domestic service, 39.30 million baht of overseas service and 4.28 million baht of other services revenue.



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Domestic Service Revenue

During Q2/2019 period, Domestic service increased by 13.61 percent YoY which equaled to 137.62 million baht as a result of new vessel named V.L.20, capacity 5,439 cubic meters per round trip, commenced service for crude oil in quarter 4/2018. This positively affected increase in revenue from crude oil transportation.

Overseas Service Revenue

During Q2/2019 period, Overseas service revenues was 39.30 million baht decreased by 18.57 percent YoY. The main reason was a decrease of transporting clean oil revenue as a result of in July 2018 service agreement with one of overseas charterer expired then the company took the vessel of such charterer to serve for domestic charterer. And have the vessel, which is offered to foreign partners have to dry dock (Dry Docking), which is based on the maintenance plan of the company and under international regulations.

Other revenue

During Q2/2019 period, Other revenues were 0.11 million baht which mainly composed of interest and gain on exchange rate.

➤ Cost of Service

In Q2/2019 cost of service was 137.46 million baht which increase by 4.78 percent YoY. The main reason was employee cost and depreciation cost which is a fixed cost, and fuel cost which is a variable cost is increase as a result of new vessel named V.L.20 and V.L.21 total deadweight tonnage is 11,254. Due to increasing on new vessels bring more number of staff and staff cost respectively.

➤ Gross Profit

Gross Profit in Q2/2019 equals to 43.73 million baht or 24.14 percent which is slightly increased from Q2/2018 amount 38.89 million baht or 22.86 percent. It is because of increase in volume of sale income but remain the same amount of fixed costs.



➤ Administrative expenses

Administrative expenses in Q2/2019 was 13.51 million baht increased from Q2/2018 which expenses equivalent to 11.10 million baht as a result of the related expenses for registered securities on the Stock Exchange of Thailand incurred. Also on April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate. This change is considered a post-employment benefits plan amendment, resulting the Company recognize the increase in the employee benefit obligations of Baht 0.93 million. The Company reflected the effect of the change by recognizing past service costs as expenses in the statement of comprehensive income of the current period.

➤ Interest Cost

In Q2/2019 Interest cost was 12.63 million baht increased from last year because of increasing in long-term loan from financial institution to invest vessel named V.L.20 in the end of 2018 and V.L.21 in the beginning of 2019.

➤ Income Tax Expenses

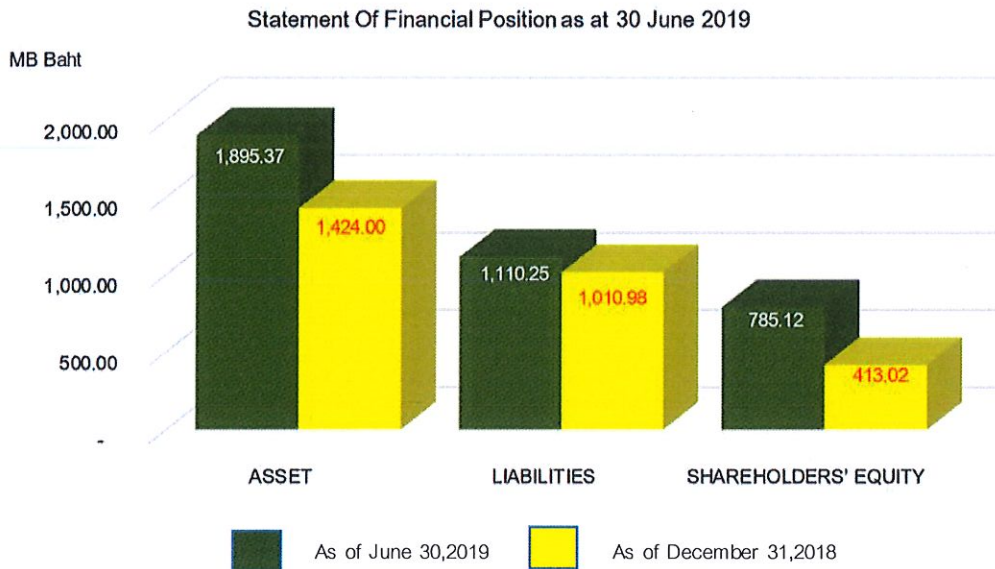
In Q2/2019 Income tax expense was 0.62 million baht or equals to 0.34 percent of total revenue. In Q2/2019 the company has been waived for income tax by BOI for 9 operating vessels throughout the period and there were tax privilege expiry of 4 vessels since the beginning of the period and has directly related expense to the public offering can deduct to calculate tax.

➤ Net Profit

In Q2/2019 Net Profit was 17.09 million baht or equals to 9.42 percent of total revenue as a result of domestic service revenue increased while the administrative expenses and interest cost barely changed.



2. Statement Of Financial Position



➤ Asset

As of 30 June 2019 total asset was 1,895.37 million baht increased from 1,424.00 million baht, as of 31 December 2018 due to invest in new vessel named V.L.21, size 5,676 DWT for providing service to overseas customers. Company also has ordered build a new Vessel , size 3,000 DWT. Moreover, the company received capital from initial public offering during this period.

Unit : MB Baht

ASSET	As of June 30, 2019	As of December 31, 2018	Change %
Cash and cash equivalents	289.84	48.59	496.47%
Trade and other receivables	73.11	84.26	(13.23%)
Vessel supplies and spare parts	21.95	18.92	16.00%
Other Current assets	0.07	0.45	(84.10%)
Total current assets	384.97	152.22	152.91%
Vessels and equipment	1,508.35	1,269.56	18.81%
Intangible assets	1.99	2.18	(8.59%)
Other non-current assets	0.06	0.04	56.87%
Total non-current assets	1,510.40	1,271.78	18.76%
TOTAL ASSETS	1,895.37	1,424.00	33.10%



➤ Liabilities

As of 30 June 2019 Total Liabilities was 1,110.25 million baht increased from 1,010.98 million baht, as of 31 December 2018 due to increasing in short-term loan and long-term loan from financial institution for utilizing for working capital, investment in vessel named V.L.21 and a new ship building respectively. The company still comply the financial ratio in accordance with the financial institution.

Unit : MB Baht

LIABILITIES	As of June 30,2019	As of December 31,2018	Change %
Bank overdrafts and short-term loans	-	80.00	(100.00%)
Trade and other payables	68.15	64.09	6.33%
Current Portion of Financial Lease	0.95	0.25	279.61%
Current Portion of Long-term loans from financial institutions	148.70	123.45	20.46%
Corporate income tax payable	2.36	1.91	23.32%
Other current liabilities	0.60	0.69	(12.88%)
Total current liabilities	220.76	270.39	(18.36%)
Financial Lease	2.01	0.45	348.15%
Long-term loans from financial institution	872.02	726.32	20.06%
Deferred tax liabilities	10.69	10.18	5.02%
Employee benefit obligations	4.78	3.65	31.16%
Total non-current liabilities	889.50	740.59	20.11%
TOTAL LIABILITIES	1,110.25	1,010.98	9.82%

➤ Equity

As of 30 June 2019 Total Equity was 785.12 million baht increased from 413.02 million baht, as of 31 December 2018 due to increase the Company has offered to sell the new issued shares in the initial public offering 200,000,000 shares by selling new shares to the subscribers at Baht 1.75 per share. The Company received the share payment Baht 350 million and has directly related expense to the public offering 18.41 million baht is shown deducted from the share premium received from the shareholders. The share premium on ordinary shares 231.59 million baht.



Unit : MB Baht

SHAREHOLDERS' EQUITY	As of June 30,2019	As of December 31,2018	Change %
Share capital : 800,000,000 ordinary shares of Baht 0.50 each	400.00	400.00	-
Issued and fully paid-up share capital	400.00	300.00	33.33%
Premium on share capital	231.59	-	100.00%
Surplus on business combination under common control	13.52	13.52	-
Retained earnings			
Appropriated - Legal reserve	13.05	13.05	-
Unappropriated	126.95	86.44	46.86%
TOTAL SHAREHOLDERS' EQUITY	785.12	413.02	90.09%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,895.37	1,424.00	33.10%

3. Cash Flows

Unit : MB Baht

Cash Flows	1H/2019	1H/2018	Change	Change %
cash provided by operating activities	112.59	115.44	(2.84)	(2.46%)
cash used in investing activities	(268.26)	(21.89)	(246.38)	1125.67%
cash provided by (used in) financing activities	397.80	(137.37)	535.17	(389.58%)
Net increase (decrease) in cash and cash equivalents	242.13	(43.82)	285.95	(652.51%)
Cash and cash equivalents as of 1 January	48.59	104.92	(56.32)	(53.68%)
Adjustments to gain (loss) on translation of foreign currency	(0.88)	(0.19)	(0.69)	358.86%
Cash and cash equivalents as of 30 June	289.84	60.90	228.94	375.91%

For the six-month period ended 30 June 2019 Cash and cash equivalents increased 228.94 million baht from Same period of the previous year or equals to 375.91 percent due to increasing in short-term loan and long-term loan from financial institution for utilizing for working capital, investment in vessel named V.L.21 and a new ship building respectively. Moreover, the company received capital from initial public offering on May 21,2019



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4. Ration

Ration	As of June 30,2019	As of December 31,2018
Debt to Equity Ratio (D/E) : (x)	1.41	2.45
Return on Asset (ROA) : %	4.88	4.37
Return on Equity (ROE) : %	13.52	12.92

Please be informed accordingly

Sincerely Yours

(Mrs. Chutipap Kliniswan)

Chief Executive Officer