

February 27, 2020

Subject Management Discussion and Analysis for the year 2019 ending December 31,2019

To : The President
The Stock Exchange of Thailand

WICE Logistics Public Company Limited would like to explain and analyze the operating result of the change for the year 2019 ending December 31, 2019 with the details as follows:

Unit : million baht

Statement of financial position	2019	Ratio	2018	Ratio	Increase / (Decrease)	
					Amount	Ratio
Service income	2,220.88	100.00%	1,832.11	100.00%	388.77	21.22
Cost of service	1,868.61	84.14%	1,454.70	79.40%	413.91	28.45
Gross Profit	352.27	15.86%	377.41	20.60%	-25.14	-6.66
Other income	10.00	0.45%	18.00	0.98%	-8.00	-44.44
Cost of sales	34.14	1.54%	41.96	2.29%	-7.82	-18.64
Administrative expenses	256.41	11.55%	208.62	11.39%	47.79	22.91
Financial expenses	6.73	0.30%	4.88	0.27%	1.85	37.91
Share of losses from associates	0.27	0.01%	0.00	0.00%	0.27	100.00
Income tax	20.77	0.94%	26.23	1.43%	-5.46	-20.82
Net profit	43.95	1.98%	113.72	6.21%	-69.77	-61.35
Profit sharing						
Attributed to the shareholders of the Company	61.97	2.79%	96.19	5.25%	-34.22	-35.58
Attributed to the stakeholders with non-controlling capability in subsidiary companies	-18.02	-0.81%	17.53	0.96%	-35.55	-202.80

Revenue from company services for the year ending December 31, 2019 and December 31, 2018 equal to 2,220.88 million baht and 1,832.11 million baht, respectively, increased 388.77 million baht or 21.22 percent. Logistics Co., Ltd. in the proportion of 40 percent of the total ordinary shares. In addition, WICE Logistics (Hong Kong) Limited has invested in WICE Logistics (Shenzhen) Company Limited in the proportion of 70 percent of the total ordinary shares. The Company is required to recognize revenue. Into financial statements Resulting in a significant increase in service revenue Which can be classified as follows

Unit : million baht

Service	For the Year Ended 31 Dec 2019	For the Year Ended 31 Dec 2018	Increase / (Decrease)	Percentage
Sea Freight	650.34	631.55	18.79	2.98
Air Freight	813.05	863.02	-49.97	-5.79
Logistics Management	353.77	357.41	-3.64	-1.02
Cross-border transport	478.74	51.66	427.08	826.71
Related party transactions	-75.02	-71.53	-3.49	4.88
Total Service Revenue	2,220.88	1,832.11	388.77	21.22

1. Revenue from ocean freight management for the year ending December 31,2019 and December 31,2018 was 650.34 million baht and 631.55 million baht respectively, an increase of 18.79 million baht or 2.98 percent respectively due to Know the income from WICE Logistics (Shenzhen) Company Limited, whose main income is from ocean freight services, resulting in increased revenue in this segment.
2. Revenue from air freight management for the year ending December 31,2019 and December 31,2018 was 813.05 million baht and 863.02 million baht, down 49.97 million baht or 5.79 percent respectively from the trade situation. war affects customers in the electronic tonic group Which is the customer in the main target group of the company in which customers reduced production capacity, resulting in reduced revenue from services as well
3. Revenue from logistics management services for the year ending December 31, 2019 and December 31, 2018 was 353.77 million baht and 357.41 million baht respectively, when compared to the previous year by 3.64 million baht, representing a hundred 1.02% arising from warehouse services with a group of customers whose contracts have ended Therefore, the revenue from logistics management decreased
4. Revenue from cross-border land transportation services for the year ending December 31,2019 and December 31,2018 was 478.74 million baht and 51.66 million baht respectively, when compared to the previous year, an increase of 427.08 million baht, representing a hundred 826.71 per cent is a result of the revenue recognition of Euro Asia Total Logistics Company Limited, which provides cross border transportation services Is the main income

Gross profit for the year ending December 31, 2019 and December 31, 2018 was 352.27 million baht and 377.41 million baht respectively, compared to the previous year decreased by 25.14 million baht or 6.66 percent. The company's service cost for the year ended December 31, 2019 and December 31, 2018 were 1,868.61 million baht and 1,454.70 million baht respectively, compared to last year increased by 413.91 million baht or 28.45 percent mainly due to the increase Revenue, therefore increasing service costs

Gross profit margin for the year For the year ending December 31,2019 was 15.86% and for the year ended December 31,2018 was 20.60%, decreased from the previous year because Euro Asia Total Logistics Company Limited is a company operating transboundary business Therefore there is a relatively high cost of investment in tractor units Resulting in increased management costs Resulting in a high ratio of costs when compared to high incomes, the profitability rate therefore decreased too

Selling expenses of the company for the year ending December 31, 2019 and December 31, 2018 equals to 34.14 million baht and 41.96 million baht respectively, compared to the previous year decreased by 7.82 million baht or 18.64 percent. Reduced commission in which the commission is calculated from gross profit in this year, the company has lower gross profit which makes the commission decreased too.

Administrative expenses of the company for the year ending December 31, 2019 and December 31, 2018 equals to 256.41 million baht and 208.62 million baht respectively, compared to the previous year increased 47.79 million baht or 22.91 percent. The recognition of both revenue and expenses from Euro Asia Total Logistics Company Limited and WICE Logistics (Shenzhen) Company Limited, the proportion that was consistent, was no different. In which administrative expenses compared to income are approximately 10% -11%

The company's financial expenses for the year ending December 31, 2019 and December 31, 2018 was equal to 6.73 million baht and 4.88 million baht respectively, compared to the previous year increased by 1.85 million baht or 37.91 percent. The reason is due to Euro Asia Total Logistics Company Limited has expanded the work to manage the channels to generate revenue according to the strategy. Must therefore have a loan to be used for investment

Company net profit for the year ending December 31, 2019 and December 31, 2018 were 61.97 million baht and 96.19 million baht respectively, compared to the previous year decreased by 34.22 million baht or 35.58 percent mainly due to Euro Asia Total Logistics Company Limited had operating losses Due to being in the initial stages of operation Therefore have a high investment and management expense As a result, the company's net profit decreased. Since such loss must be recognized

The company's financial position as of 31 December 2019 is as follows:

Unit : million baht

Statement of financial	31 Dec 2019	31 Dec 2018	Increase (Decrease)	Percentage
Asset	1,573.57	1,419.80	153.77	10.38
Liabilities	686.97	462.61	224.36	48.50
Shareholders 'Equity	886.60	957.20	-70.60	-7.38

The reason that the financial status of the company changed due to

1. The company has total assets as of December 31, 2019 and December 31, 2018 equal to 1,573.57 million baht and 1,419.80 million baht, respectively, an increase of 153.77 million baht or 10.83 percent due to an increase in trade receivables. Due to the increase in revenue and the credit given to customers for a longer period.
2. The company has total liabilities as of December 31, 2019 and December 31, 2018 equal to 686.97 million baht and 462.61 million baht, respectively, increased by 224.36 million baht or 48.50 percent. This is due to the increase in service costs causing trade payables to increase. In addition, Euro Asia Total Logistics Company Limited has invested in a tractor and trailer, causing the company to have continuous operating funds in the initial stages, therefore having to borrow from financial institutions Causing liabilities to increase
- 3 The Company has shareholders' equity as of December 31, 2019 and December 31, 2018 equal to 886.60 million baht and 957.20 million baht, a decrease of 70.60 million baht or 7.38 percent due to a decrease in operating profit. Together with the dividend payment resulting in a decrease in shareholders' equity

Please be informed accordingly.

Yours sincerely,



(Miss Poramaporn Chamnongsuk)
Company Secretary