



JWD InfoLogistics Public Company Limited

Management Discussion and Analysis for the Year Ended 31 December 2018

(Unit : MM THB)	Quarterly			+/(-)		Year		+/(-)
	Q4/2017	Q3/2018	Q4/2018	YoY	QoQ	2017	2018	
Rental income and revenue from rendering of services	630.7	848.6	944.8	49.8%	11.3%	2,423.3	3,208.0	32.4%
Gross Profit	210.9	221.8	247.8	17.5%	11.7%	751.4	848.4	12.9%
Gross Margin (%)	33.4%	26.1%	26.2%			31.0%	26.4%	
EBITDA	709.2	194.7	216.3	(69.5)%	11.1%	1,229.6	734.8	(40.2)%
Net profit (loss) attributable to owners of the Company	465.8	70.1	91.7	(80.3)%	30.8%	612.1	252.1	(58.8)%
Net profit (loss) Margin (%)	40.7%	8.0%	9.4%			20.7%	7.6%	
Net profit (loss) attributable to owners of the Company before extra items	58.1	70.1	78.0	34.3%	11.3%	204.5	238.4	16.6%
Net profit (loss) Margin (%) before extra items	8.9%	8.0%	8.3%			8.3%	7.4%	

* Net Profit (Loss) Margin = Net profit (loss) attributable to owners of the Company / Total revenue

Rental income and revenue from rendering of services

The Company had rental income and revenue from rendering of services for Q4/2018 of Baht 944.8 million, higher than that of Q4/2017 by Baht 314.1 million or 49.8%. The increased revenue was mainly from warehouse and yard management and moving business, especially revenue from cold storage warehouse which generated 31.4% higher revenue compared to the same period last year. During year 2016 this business had lower stock level of seafood products affected from unclear IUU Fishing problem. Fortunately this incident has recovered and the cold storage warehouse business has reached high level of stock since Q1/2017. Moreover, the increased revenue was contributed from the lift on-lift off service for rail transportation and food business which start operate in year 2018.

For the year ended December 31, 2018, the Company had rental income and revenue from rendering of services of Baht 3,208.0 million, increased by Baht 784.7 million or 32.4% when compared to that of previous year. The increased revenue was mainly resulted from warehouse and yard business, especially cold storage together with transportation and food business.

Gross Profit

The Company had gross profit for Q4/2018 of Baht 247.8 million, gross profit margin for Q4/2018 was 26.2% improved from Q4/2017 by Baht 36.9 million or 17.5%, due to cold storage warehouse business, which seafood stock level has recovered since Q1/2017 and the occupancy rate of cold storage for Q4/2018 was 83.5% higher than that of Q4/2017 which was 76.0%



The Company generated gross profit for the year ended December 31, 2018 of Baht 848.2 million, increased from that of last year by Baht 96.8 million or 12.9%. The increased gross profit was due to higher revenue together with better profitability on warehouse and yard management transportation and food business.

Net profit attributable to owners of the Company

The Company had net profit attributable to owners of the Company for Q4/2018 of Baht 78.0 million, improved from Q4/2017 by Baht 19.9 million or 34.3% (before extra items).

For year ended December 31, 2018, the Company had net profit attributable to owners of the Company of Baht 252.1 million. However, if excluding extra items, the net profit of 2018 was Baht 238.4 million increase by Baht 33.9 million or 16.6% comparing to net profit before extra items of 2017 which was Baht 204.5 million.

Investment projects update

During March 2018,

The company set up a new Subsidiary “Global Foodservice Network Co., Ltd.” to expand into the food business in the region.

The company had invested in Chi Shan Long Feng Food Co., Ltd. (Taiwan), which specialized in food service business including a manufacturer, importer and distributor of ready to eat, frozen and other kind of food for domestic consumption. This investment will enhance company service capability to food service business which synergizes with existing cold chain business.

During June 2018,

The company had increased investment in Phnom Penh SEZ Plc. (“PPSEZ”).By investing more stake in PPSEZ from 5.2% to 14.6%, the company had more management influence which helps to promote synergy & expansion of logistics business in Cambodia.

The company had invested in Bok Seng PPSEZ Dry Port Co., Ltd. (“Bok Seng”) (Cambodia) who manage inland container depot, warehouse and transportation services in Phnom Penh Special Economic Zone. This will strengthen the company’s logistics solutions in Cambodia and the region.



During November 2018,

The Company's subsidiary named JVK International Mover Co., Ltd. ("Subsidiary"), which Company holds 60 percent of shares, has entered into joint venture agreement with Mr. Ng Liang Soon, the owner of Bok Seng Logistics Pte Ltd, for the establishment of JWD Bok Seng Logistics (Thailand) Co., Ltd. ("JV Company") to invest in business of integrated project cargo services in Thailand.

The Company has entered into joint venture agreement with CJ Logistics (Thailand) Co., Ltd. ("CJ Logistics") for the establishment of CJL JWD Logistics Co., Ltd. ("JV Company") to synergies the know-hows and strengths from both companies and provide total logistics service in Thailand. CJ Logistics has strong expertise in last mile delivery and E-commerce business. Initially, this JV Company will recruit customers to the Company and CJ Logistics by dividing the work according to the specialization of each party.

Financial Performance Analysis

Revenue and gross profit margin by business can be summarized as follows:

Revenue (MM THB)	Quarterly			% of Total Revenue	Year		% of Total Revenue
	Q4/2017	Q3/2018	Q4/2017		2017	2018	
1. Warehouse and Yard Management	429.4	460.3	494.0	52.3%	1,662.1	1,857.6	57.9%
2. Transportation and Distribution	89.4	127.0	137.6	14.6%	379.6	497.1	15.5%
3. Moving Service	79.5	88.8	87.1	9.2%	267.5	323.2	10.1%
4. Record and Information Management	25.7	27.7	26.8	2.8%	98.4	106.6	3.3%
5. Food Service	-	137.1	191.1	20.2%	-	399.8	12.5%
6. Other Services	6.7	7.6	8.2	0.9%	15.7	23.7	0.7%
Total	630.7	848.5	944.8	100%	2,423.3	3,208.0	100%

Gross Profit Margin (%)	Quarterly			Year	
	Q4/2017	Q3/2018	Q4/2018	2017	2018
1. Warehouse and Yard Management	34.1%	34.6%	35.0%	33.5%	33.4%
2. Transportation and Distribution	19.2%	15.8%	19.5%	18.4%	16.3%
3. Moving Service	29.8%	25.6%	22.8%	27.7%	24.1%
4. Record and Information Management	64.2%	46.9%	49.8%	61.6%	49.9%
5. Food Service	-	9.9%	11.8%	-	10.3%



6. Other Services	106.0%	(91.7)%	(90.7)%	(63.7)%	(111.9)%
Total	33.4%	26.1%	26.2%	31.0%	26.4%

1. Warehouse and Yard Management

Revenue (MM THB)	Quarterly			% of Total Revenue	Year		% of Total Revenue
	Q4/2017	Q3/2018	Q4/2018		2017	2018	
1.1 General Goods	84.4	69.4	87.6	9.3%	320.7	318.8	9.9%
1.2 Dangerous Goods	112.5	125.8	123.4	13.1%	462.7	497.3	15.5%
1.3 Automotive	108.7	106.6	121.0	12.8%	429.2	437.5	13.6%
1.4 Cold Storage	123.4	158.5	162.1	17.2%	449.5	604.0	18.8%
Total	429.4	460.3	494.0	52.3%	1,662.1	1,857.6	57.9%

Gross Profit Margin (%)	Quarterly			Year	
	Q4/2017	Q3/2018	Q4/2018	2017	2018
1.1 General Goods	14.9%	7.2%	13.4%	10.5%	10.2%
1.2 Dangerous Goods	38.9%	38.2%	43.6%	39.3%	41.7%
1.3 Automotive	34.9%	35.4%	32.1%	34.3%	32.8%
1.4 Cold Storage	42.2%	43.2%	42.2%	43.2%	39.4%
Total	34.1%	34.6%	35.0%	33.5%	33.4%

1.1 General Goods

Revenue of general goods warehouse management service for Q4/2018 was Baht 87.5 million, consisted of revenues from storage Baht 44.4 million, handling service Baht 23.0 million, custom clearance service Baht 5.2 million and other value added services Baht 14.9 million. Total revenue decreased from Q4/2017 by Baht 2.7 million or 3.1%.

For the year ended December 31, 2018, revenue from general warehouse was Baht 318.8 million, consisted of revenues from storage Baht 162.0 million, handling service Baht 85.2 million, customs clearance service Baht 19.4 million and other value added services Baht 52.2 million. Total revenue slightly decreased from that of previous year by Baht 1.9 million or 0.6%.

Gross profit for Q4/2018 was Baht 11.7 million and gross profit margin was 13.4%, slightly decreased from the same period last year. For the year ended December 31, 2018, gross profit was Baht 33.7 million and gross profit margin was 10.5%

1.2 Dangerous Goods

Revenue of dangerous goods warehouse management service for Q4/2018 was Baht 123.4 million, consisted of revenue from yard management of Baht 120.4 million and from warehouse management of Baht 3.0 million. Total revenue increased from Q4/2017 by Baht 10.8 million or 9.6% resulted from the higher storage proportion.



For the year ended December 31, 2018, revenue from the business was Baht 497.3 million, including revenue from yard management of Baht 482.3 million and from warehouse management of Baht 15.0 million. Total revenue increased from previous year by Baht 34.6 million or 7.5% resulted from increased portion of storage revenue despite level.

Volume	Quarterly			Year	
	Q4/2017	Q3/2018	Q4/2018	2017	2018
Yard (TEU*)	42,858	43,608.3	44,075.8	171,110	171,991
Warehouse (Revenue Ton)	4,584	4,985	5,232	16,229	17,741

*TEU (Twenty Equivalent Unit) is 20-foot equivalent containers

Gross profit for Q4/2018 was Baht 53.8 million and gross profit margin was 43.6%, improved from 10.0 million that of Q4/2017 which has gross profit of 43.8 million and gross profit margin was 38.9%. For the year ended December 31, 2018, gross profit was Baht 207.4 million and gross profit margin was 41.7%, higher than last year that has gross profit of 182.0 million and gross profit margin was 39.3%.

1.3 Automotive

Revenue from automotive yard management for Q4/2018 was Baht 121.0 million, consists of revenue from storage of Baht 60.4 million and revenue from service rendering of Baht 60.6 million. Total revenue increased from Q4/2017 by Baht 12.4 million or 11.4% and increased from Q3/2018 by Baht 14.4 million or 13.5%, resulted from additional projects from both existing and new customers. For the year ended, revenue from the business was Baht 437.5 million, consists of revenue from storage of Baht 230.5 million and revenue from service rendering of Baht 207.0 million. Total revenue increased for that of last year for Baht 8.4 million or 2.0%.

Gross profit from automotive yard management for Q4/2018 was Baht 38.9 million and gross profit margin was 32.1% increase from Q4/2017 which was Baht 37.9 million and gross profit margin was 34.9

For the year ended December 31, 2018, gross profit was Baht 143.5 million and gross profit margin was 32.8%, slightly decrease from the same period last year.

1.4 Cold Storage

Since Q2/2016 stock level of seafood in cold storage warehouse was significantly dropped affected by the unclear IUU Fishing problem. Fortunately, there was a rapid recovery in stock level since late of 2016 and reach normal stock level since Q1/2017 as well as continuously remaining high level of stock. Moreover, to mitigate the impact from IUU Fishing problem, the Company attempt to diversify customer base into other products, e.g., poultry and processed agricultural products. Moreover, the company expands the capacity for services. As a result, revenue for Q4/2018 was Baht 162.1 million, increased from Q4/2017 by Baht 38.7 million or 31.4%. For the year ended December 31, 2018, the Company had revenue from cold storage management of Baht 604.0 million, improved by Baht 154.5 million or 34.4% from the same period last year.



Gross profit for Q4/2018 was Baht 68.4 million and gross profit margin was 42.2%, higher than Q4/2017 by Baht 16.3 million which had gross profit margin at 42.2%. For the year ended December 31, 2018, the Company had gross profit of Baht 237.8 million and gross profit margin was 39.4%, improved by Baht 43.7 million when compare from the same period of last year, effected from the recovery of seafood stock level during Q1/2017 which rose back to normal levels and rising steadily.

Occupancy rate for three-month period ended 31 December 2018 was 83.5 % compared to the same period last year which was 76.0%. For the year ended 31 December 2018, occupancy rate was 83.9% higher than last year which was 66.9%.

2. Transportation and Distribution Service

From beginning of 2016, the Company expanded service scope of transportation service into the lift on-lift off service for rail transportation. As a result, revenue and gross profit margin improved. Revenue from Q4/2018 was Baht 137.6 million which consists of product category as general goods at Baht 34.2 million, dangerous goods at Baht 20.6 million, automotive at Baht 44.0 million, controlled-temperature chilled and frozen product at Baht 15.7 million, cross border transportation at Baht 7.8 million and the lift on-lift off service for rail transportation at Baht 15.3 million. Total revenue rose from Q4/2017 by Baht 48.2 million or 53.9%.

For the year ended December 31, 2018, revenue from transportation and distribution service was Baht 497.2 million, consists of general goods at Baht 108.1 million, dangerous goods at Baht 113.1 million, automotive at Baht 142.9 million, controlled-temperature chilled and frozen product at Baht 62.6 million, cross-border at Baht 29.2 million and the lift on-lift off service for rail transportation at Baht 41.3 million. Total revenue increased by Baht 117.5 million or 31.0% compared to that of last year.

Gross profit for Q4/2018 was Baht 26.8 million and gross profit margin was 19.5% increased by Baht 9.6 million compared to that of last year, which had gross profit of Baht 17.2 million and gross profit margin of 19.2%.

For the year ended December 31, 2018 the company had gross profit of Baht 80.8 million and gross profit margin 16.3% increased by Baht 11.1 million compared to that of last year which gross profit was Baht 69.7 million and gross profit margin was 18.4%.



3. Moving Service for Domestic and International

Revenue from domestic and international moving service for Q4/2018 was Baht 87.1 million which consist of household moving service of Baht 41.6 million, office moving service of Baht 3.2 million, factory moving service of Baht 14.1 million and fine arts and exhibition items moving service at Baht 2.1 million and other service Baht 26.1 million. Total revenue increased by Baht 7.6 million or 9.6% from that of Q4/2017. The increased revenue was caused by the increase volume of factory moving service.

For the year ended December 31, 2018, revenue from domestic and international moving service was Baht 323.2 million, consists of household moving service of Baht 181.8 million, office moving service of Baht 12.4 million, factory moving service of Baht 34.4 million, fine arts and exhibition items moving service at Baht 9.2 million and other service Baht 85.4 million. Mainly resulted from the increase volume of factory moving service compared to the same period last year.

Gross profit for Q4/2018 was Baht 19.8 million and gross profit margin was 22.8%, decreased by Baht 3.9 million compared to that of last year which gross profit was Baht 23.7 million and gross profit margin was 29.8%.

For the year ended December 31, 2018, gross profit was Baht 78 million and gross profit margin was 24.1%, increase by Baht 3.9 million from that of last year which gross profit was Baht 74.1 million and gross profit margin was 27.7%.

4. Record and Information Management

The revenue from the record and information management service for Q4/2018 was Baht 26.9 million which consists of storage revenue of Baht 22.2 million, handling service and transportation of Baht 4.7 million. Total revenue was stable compared to Q4/2017 and Q3/2018.

For the year ended December 31, 2018, revenue was Baht 106.7 million which consists of storage revenue of Baht 88.3 million, handling service and transportation of Baht 18.4 million. Total revenue rose from that of previous year by Baht 8.2 million or 8.3% due to increased volume of boxes and files kept in warehouse which are shown in the following table.

Quantity (Unit)	Quarterly			Year	
	Q4/2017	Q3/2018	Q4/2018	2017	2018
Boxes	859,617	876,600	875,114	833,528	871,761
Files	9,378,736	9,873,972	10,253,966	9,140,617	9,812,597

Gross profit for Q4/2018 was Baht 13.3 million and gross profit margin was 49.4%, decrease from Q4/2017 and Q3/2018 which are 16.5% and 13.0%.

For the year ended December 31, 2018, gross profit was Baht 53.2 million and gross profit margin was 49.9%, slightly dropped from last year which was 61.6%. Mainly resulted from the expansion of service area.



5. Food Service Business

The company had invested in food service business in Taiwan since the end of March 2018 and had started consolidating both its revenue and profit in May 2018. Revenue for the Q4/2018 was 191.1 Million with gross profit of Baht 22.6 Million, and gross profit margin of 11.8%, increased from Q3/2018 by Baht 53.9 million or 39.3%. The revenue for the three-month period ended September 30, 2018 was 137.1 million, with gross profit of Baht 13.6 Million, and gross profit margin of 9.9%. This significant growth was partly due to seasonality, when its sales enter peak season in the second half of the year. Furthermore, the business is obtaining new customers in 2019 which expects to further increase its revenue.

6. Other Businesses

The company had revenue from other businesses for Q4/2018 of Baht 8.2 million, increased from Q4/2017 and Q3/2018 by Baht 6.7 million and Baht 7.6 million respectively.

For the year ended December 31, 2018, revenue from other businesses was Baht 23.7 million, increased by Baht 8.0 million from previous year.

Other income

For the year ended December 31, 2018, other income was Baht 32.8 million, increased by Baht 1.8 million or 5.8% from that of previous year.

Selling and Administrative Expenses

In Q4/2018, the Company had selling and administrative expenses of Baht 162.4 million, increased from Q4/2017 by Baht 26.7 million or 19.7% which was Baht 135.4 million.

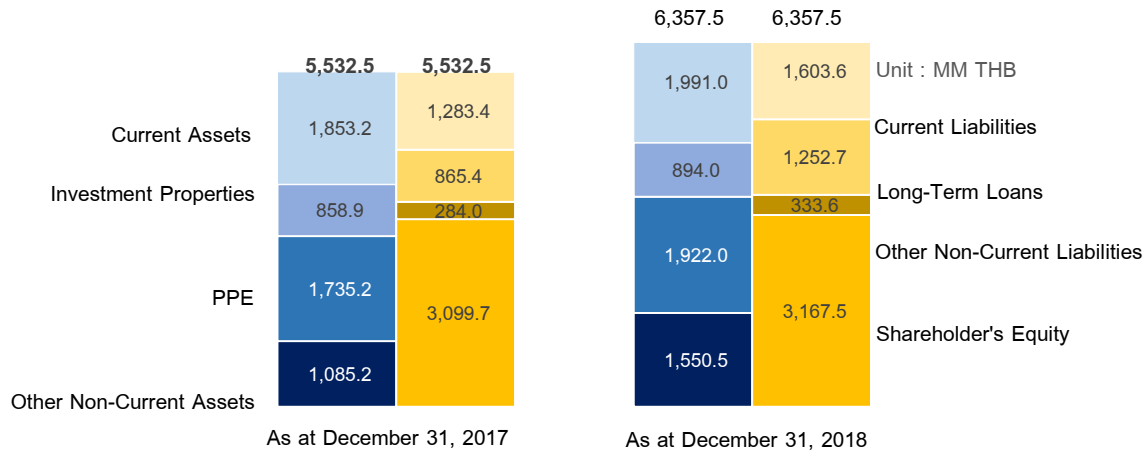
For the year ended December 31, 2018, selling and administrative expenses was Baht 568.0 million increased from that of previous year by Baht 102.0 million or 21.9%.

Finance Cost

The Company had finance cost for Q4/2018 of Baht 22.2 million, stable compared to Q4/2017 and Q3/2018. For the year ended December 31, 2018, the Company had finance cost of Baht 82.2 million, decreased by Baht 6.1 million or 6.9% from that of previous year.



Statement of Financial Position



Assets

As at December 31, 2018, the Company had total assets of Baht 6,357.5 million, increased from December 31, 2017 by Baht 824.9 million, or 14.9%

The Company's assets mainly consist of current assets and property, plant and equipment amounted 31.3% and 30.2% of total assets, respectively.

Current Assets

As at December 31, 2018, current asset was Baht 1,991.0 million, increased by Baht 137.8 million or 7.4% from December 31, 2017

Non-Current Assets

As at December 31, 2018, non-current assets amounted Baht 4,366.5 million, increased by Baht 687.2 million or 18.7% from December 31, 2017, mainly result from the investment in joint venture and setting up a new subsidiary which increase by Baht 415.0 million, plant property and equipment (PPE) which increase by Baht 186.8 million, while long-term investment and other non-current assets decreased by Baht 55.9 million and Baht 47.6 million respectively.

Liabilities

As at December 31, 2018, the Company had total liabilities Baht 3,189.9 million, increased from December 31, 2017 by Baht 757.0 million or 31.1%.



Current Liabilities

As at December 31, 2018, current liabilities was Baht 1,603.7 million, increased from December 31, 2017 by Baht 321.9 million, or 25.1% which was mainly from reclassification of debentures from non-current liabilities to current liabilities, short-term loan and trade accounts payable.

Non-Current Liabilities

As at December 31, 2018, non-current liabilities was Baht 1,586.3 million, increased by Baht 435.1 million from December 31, 2017 or 37.8% was mainly result from bonds issue which increase by Baht 600 million, while the long-term loans decreased by Baht 212.6 million.

Shareholder's Equity

As at December 31, 2018, shareholder's equity was Baht 3,167.56 million, increased by Baht 67.9 million or 2.2% from December 31, 2017, which mainly resulted from net profit from year 2017.

The Company paid cash dividend in January and May 2018 in the rate of Baht 0.25 per share or in amount of Baht 255 million.

Statement of Cash Flows

(Unit : MM THB)	Year	
	2017	2018
Cash and Cash Equivalents at 1 January	259.8	1,218.8
Net Cash from / (used in) Operating Activities	528.1	497.3
Net Cash from / (used in) Investing Activities	1,105.2	(1,342.3)
Net Cash from / (used in) Financing Activities	(674.4)	83.9
Net Increase (Decrease) in Cash and Cash Equivalents	958.9	(762.4)
Cash and Cash Equivalents at 31 December	1,218.8	456.4

Cash flows from operating activities

For the year ended December 31, 2018, the Company had net cash from operating activities of Baht 497.3 million which was mainly contributed by net profit before extra items of Baht 238.4 million, added back



of non-cash items, e.g., depreciation on plant and equipment of Baht 239.2 million and finance costs of Baht 82.2 million.

Cash flows from investing activities

For the year ended December 31, 2018, net cash used in investing activities was Baht 1,342.3 million which was mainly result from the short-term loans to other parties was Baht 395.3 million, investment in subsidiaries CSLF), investment in associates in advance (PPSEZ and Bok Seng) was Baht 456.0 million also the investment in property, plant and equipment was Baht 456.0 million.

Cash flows from financing activities

For the year ended December 31, 2018, the Company had net cash from financing activities of Baht 83.9 million which includes proceeds from long-term loan repayment, dividends paid to shareholders and financial lease payments.

Key Financial Ratios

	Year	
	2017	2018
Gross Margin (%)	31.0%	26.4%
Net Profit (Loss) Margin (%)	20.4%	7.6
Current Ratio (Times)	1.44	1.24
Liability to Equity (Times)	0.78	1.01
Interest Bearing Debt to Equity (Times)	0.52	0.72

Note:

Gross Margin	= Gross Profit / Rental income and revenue from rendering of services
Net Profit (Loss) Margin	= Net profit (loss) attributable to owners of the Company / Total revenue
Current Ratio	= Current Asset / Current Liabilities
Liability to Equity	= Total Liabilities / Shareholder's Equity
Interest Bearing Debt to Equity	= Interest Bearing Debt / Shareholder's Equity