

26 February 2019

Subject Management Discussion and Analysis for the year ended December 31, 2018

To : The President  
The Stock Exchange of Thailand

WICE Logistics Public Company Limited would like to clarify the change in operating results the year ended December 31, 2018 with details as follows:

Unit : million baht

| Statement of financial position  | For the year ended 31 December |         |          |         |                       |          |
|--|--------------------------------|---------|----------|---------|-----------------------|----------|
|  | 2018                           | Ratio   | 2017     | Ratio   | Increase / (Decrease) |          |
|  |                                |         |          |         | Amount                | Ratio    |
| Service revenue  | 1,832.11                       | 100.00% | 1,396.37 | 100.00% | 435.74                | 31.21    |
| Other income   | 18.00                          | 0.98%   | 5.96     | 0.43%   | 12.04                 | 202.01   |
| Cost of service  | 1,454.70                       | 79.40%  | 1,054.29 | 75.50%  | 400.41                | 37.98    |
| Expenses of sales  | 41.96                          | 2.29%   | 46.13    | 3.30%   | (4.17)                | (9.04)   |
| Expenses of management   | 208.62                         | 11.39%  | 170.92   | 12.24%  | 37.70                 | 22.06    |
| Expenses of financial  | 4.88                           | 0.27%   | 0.18     | 0.01%   | 4.70                  | 2,611.11 |
| Expenses of tax income   | 26.23                          | 1.43%   | 23.26    | 1.67%   | 2.97                  | 12.77    |
| Net income   | 113.72                         | 6.21%   | 107.55   | 7.70%   | 6.17                  | 5.74     |
| Profit sharing   |                                |         |          |         |                       |          |
| Attributed to the shareholders of the Company  | 96.19                          | 5.25%   | 89.70    | 6.42%   | 6.49                  | 7.24     |
| Attributed to the stakeholders with non-controlling capability in subsidiary companies | 17.53                          | 0.96%   | 17.85    | 1.28%   | (0.32)                | (1.79)   |

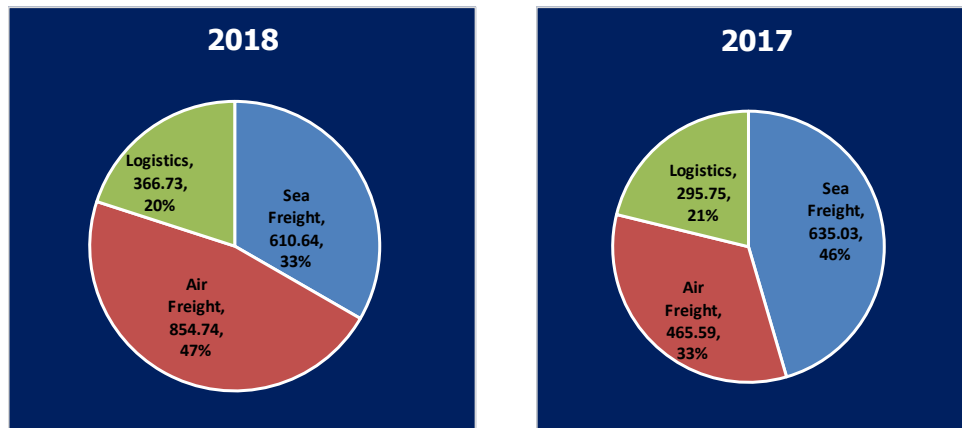
Revenue from the Company's services for the year Ended December 31, 2018 and December 31, 2017, equal to 1,832.11 million baht and 1,396.37 million baht, respectively, increased by 435.74 million baht or 31.21 percent. And on January 4, 2018, the Company purchased the ordinary shares of WICE Logistics (Hong Kong) Limited in the proportion of 80% of the total ordinary shares. And on September 14, 2018, the Company has purchased ordinary shares of Euro Asia Total Logistics Company Limited in the proportion of 40% of the total ordinary shares. The company must therefore have revenue recognition. Into the financial statement Resulting in increased service revenue Which can classify income as follows

Unit : million baht

| Service               | For three months until end of December 31 | For three months until end of December 31 | Increase / (Decrease) | Percentage |
|-----------------------|---|---|-----------------------|------------|
| Sea Freight           | 610.64                                    | 635.03                                    | -24.39                | -3.84      |
| Air Freight           | 854.74                                    | 465.59                                    | 389.15                | 83.58      |
| Logistics Management  | 366.73                                    | 295.75                                    | 70.98                 | 24.00      |
| Total Service Revenue | 1,832.11                                  | 1,396.37                                  | 435.74                | 31.21      |

1. Revenue from sea freight management for the year ended December 31, 2018 and December 31, 2017 is 610.64 million baht and 635.03 million baht respectively, decreasing by 24.39 million baht or 3.84 percent, respectively. From having a large customer, changing the use of services from sea freight into air and land freight In order to reach the destination faster Thus resulting in a decrease in revenue from sea freight management
2. Revenue from air freight management for the year ended December 31, 2018 and December 31, 2017 is 854.74 million baht and 465.59 million baht, increasing by 389.15 million baht or 83.58 percent, respectively, compared to the year. Before As a result of the revenue recognition of WICE Logistics (Hong Kong) Limited for this year And the company got the project work From customers in new target groups Which are customers in the group Electrical equipment
3. Revenue from logistics management services for the year ended December 31, 2018 and December 31, 2017 is 366.73 million baht and 295.75 million baht, respectively, compared to the previous year. Increased by Baht 70.98 million or 24%, partly due to the recognition of revenue of WICE Logistics (Hong Kong) Limited and Euro Asia Total Logistics Company Limited for this year. And resulting from increased revenue from warehouse services such as customers in the automotive parts segment Which these customers will use a full range of services, including customs clearance services And land transportation services In addition, the major customers changed the use of services from the sea freight service to the land transportation service. Revenue from logistics management services has increased from the original.

Compare the proportion of revenue from services after the company starts to recognize revenue from WICE Logistics (Hong Kong) Limited. The proportion of revenue has changed, with the proportion of revenue from air freight handling added. Significantly Summary of changes in proportion as follows



Cost of service for the company for the year Ended December 31, 2018 and December 31, 2017, equal to 1,454.70 million baht and 1,054.29 million baht respectively, increased by 400.41 million baht or 37.98 percent compared to the previous year Caused by the increase in revenue of the company Therefore increasing the cost of services in proportion Which is in accordance with the plan

Administrative expenses of the company for the year Ended December 31, 2018 and December 31, 2017, equal to 208.62 million baht and 170.92 million baht respectively, increased by 37.70 million baht or 22.06 percent as a result of the recognition of the administrative expenses of WICE Logistics (Hong Kong) Limited for this year Which increases according to the proportion of income according to the specified plan In addition, the company has measured fair value of PPA (Purchase Price Allocation) of WICE Logistics (Hong Kong) with intangible assets that have to be amortized in the amount of 1.87 million baht, resulting in increased administrative expenses this year.

The financial expenses of the company for the year Ended December 31, 2018 and December 31, 2017, equal to 4.88 million baht and 0.18 million baht respectively The fair value of the PPA (Purchase Price Allocation) of WICE Logistics (Hong Kong) and the company has interest paid from the financial lease to buy the drag for investment in Euro Asia Total Logistics Limited

Net profit for the year Ended December 31, 2018 and December 31, 2017, equal to 96.19 million baht and 89.70 million baht, respectively, increased by 6.49 million baht or 7.24 percent. The company has realized gains from WICE Logistics (Hong Kong) coming this year. Thus increasing net profit according to increased revenue

The financial status of the Company as at December 31, 2018 is as follow

Unit : million baht

| Statement of financial | 31 DEC 2018 | 31 DEC 2017 | Increase<br>(Decrease) | Percentage |
|------------------------|-------------|-------------|------------------------|------------|
| Asset                  | 1,419.80    | 1,103.82    | 315.98                 | 28.63      |
| Liabilities            | 462.61      | 204.06      | 258.56                 | 126.71     |
| Shareholders 'Equity   | 957.19      | 899.77      | 57.42                  | 6.38       |

The cause of the company's financial situation changed

1. The company has total assets as of December 31, 2018 and December 31, 2017, equal to 1,419.80 million baht and 1,103.82 million baht respectively, increasing by 315.98 million baht or 28.63 percent, which has increased. With the following notice
  - 1.1 Trade accounts receivable as at 31 December 2018 and 31 December 2017, amounting to 442.46 million baht and 299.99 million baht, respectively, increased by 142.47 million baht or 47.50 percent due to an increase in revenue, resulting in more receivables. However, such debtors are debtors with normal repayment ability.
  - 1.2 Property, plant and equipment as at December 31, 2018 and December 31, 2017, equal to 223.53 million baht and 143.33 million baht, respectively, increased by 80.20 million baht or 55.96 percent, caused by the company having to buy towing trailers In order to use in the land transportation business which is expanding and in the past year, the company has invested in shares of Euro Asia Total Logistics Company Limited which is a company The main features of cross-border land transportation therefore needs to buy assets tractor trailers for use in business, the increase in assets this year.
  - 1.3 Goodwill as of December 31, 2018 and December 31, 2017 is 139.84 million baht and 99.40 million baht, respectively, increased by 40.44 million baht or 40.69% caused by the company having fair value measurement PPA (Purchase Price Allocation) WICE Logistics (Hong Kong), which has goodwill
2. The Company has total liabilities as at December 31, 2018 and December 31, 2017, equal to 462.61 million baht and 204.06 million baht respectively, increasing by 258.56 million baht or 126.71 percent as a result of the company having more revenue. The cost increases proportionately. When the cost increases, therefore increasing trade accounts payable in the financial statements

- 3 The Company has shareholders' equity as of December 31, 2018 and December 31, 2017, equal to 957.19 million baht and 899.77 million baht, increasing by 57.42 million baht or 6.38 percent due to operating profit.

Please be informed accordingly.

Yours sincerely,



(Miss Poramaporn Chamnongsuk)

Company Secretary