Management Discussion and Analysis Yearly Ending 31 Dec 2020

Performance for 2020

Thai economic direction in 2020

In 2020, Thai exports are expected to expand slightly. From a contraction in the previous year, with key supporting factors including

(1) Development of the trade conflict between the United States. With China moving in a better direction After the formal first phase of the trade agreement is reached, it is expected that the outlook for the next phase of the economy and global trade volumes will improve.

(2) The electronics cycle is expected to gradually recover this year, in part due to the introduction of 5G in many countries, with a clear improvement in orders and production expected around the middle of this year. The COVID-19 outbreak early in the year can have an impact on the timing and speed of recovery. If the effects of the epidemic spread to the manufacturing sector and affect the global production chain, Thai exports still have structural factors that hinder the expansion, it may not return as high as in the past: Loss of competitiveness in the world market Both from competitors who can develop their capabilities faster than Thailand And the loss of market share in ASEAN for China That bring products to compete to diversify the risk from the US market

(refer to data from Thai Economy Direction 2020 Bank of Thailand)

COVID-19 outbreak situation Overseas, including Thailand, will not resolve. But the hope of a vaccine City closures are less stringent compared to the previous outbreak and stimulus measures. In each additional country, Thai exports in December 2020 turned to positive for the first time in 8 months, expanding at 4.71 percent from November 2020, which dropped 3.65 percent YoY. Agricultural product releases and agro-industry in December expanded at 2.1% YoY from a 2.4% contraction in November. Industrial products in December also turned back to expand at 6.7 percent from a contraction of 2.9 YoY in November.

Even if in december COVID-19 outbreak situation There will be violent trends in many countries. As a result, some countries began to resume measures. Log down during the New Year season. Especially in almost European countries but such factors do not affect the Thai export sector. Thailand's main export markets continued to expand well from the previous month.

As for the direction of Thai exports in the next year, many uncertainties are still facing The uncertainty of the global economic recovery Container shortage and higher freight Including the trend of the baht appreciation Among the stressors mentioned above The Kasikorn Research Center therefore evaluates the direction of Thai exports in 2021 that it will expand at 3.0 percent *(refer to data from Kasikorn Bank Business Outlook Analysis Issue 3908)*

Performance

Unit : million baht

Statement of financial position	Q4/2020	Q4/2019	YOY	2020	2019	YOY
Service revenue	1,406.69	611.45	130.06%	3,995.53	2,220.88	79.91%
Gross profit	183.90	99.85	84.18%	617.50	352.27	75.29%
Gross profit to the shareholders of the company	59.39	13.35	344.87%	201.08	61.97	224.48%

In 2020, the company has achieved excellent performance, with revenue in 2020 compared to 2019, growing 79.91%, coupled with the company's net profit exponentially growing, with net profit of 201.08 million baht in 2020 growing. 224.48% from the previous year, which is the company's new high in both revenue and net profit

In the year 2020, the demand for electronic goods has continued to increase. As a result, air freight revenues grew 161.60% in 2020, coupled with a recovery in the automotive industry in 4Q20, making ocean freight back to play a role in earnings. In the fourth quarter of 2020, revenue grew 48.79% compared to the same period last year. Cross Border Services (CBS) revenue grew 104.44% over the previous year from existing customer base Most of them are electronic customers. In 2020, customers will have more shipping demand. Causing the company's sales to increase until Full-service management has led companies to consider increasing their Capacity to meet the increasing demand of customers. Together with shipping by sea There is a container shortage problem. Likewise, the freight by air and freight are rising. Causing many customers to choose to switch to the Cross Border Services (CBS) In this scenario, Cross Border Services (CBS) is now a very popular alternative service with customers. There were new customers from the referral of existing customers and after the COVID-19 period, China moved its production base to Southeast Asian countries. As a result, Cross Border Services (CBS) sales grew 104.44% over the previous year.

Statement of financial position	2020	%	2019	%	YOY
Service revenue	3,995.53	99.75%	2,220.88	99.55%	79.91%
Gross profit	617.50	15.45%	352.27	15.86%	75.29%
Other income	10.04	0.25%	10.00	0.45%	0.40%
Expenses of sales	32.55	0.81%	34.14	1.54%	-4.66%
Expenses of management	261.16	6.54%	256.41	11.55%	1.85%
Expenses of financial	10.17	0.25%	7.00	0.32%	45.29%
Expenses of tax income	48.42	1.21%	20.77	0.94%	133.12%
Net income	275.24	6.87%	43.95	1.97%	526.26%
Profit sharing					
Attributed to the shareholders of the company	201.08	5.02%	61.97	2.78%.	224.48%
Attributed to the stakeholders with non-controlling capability in subsidiary companies	74.16	1.85%	18.02	-0.81%	511.54%

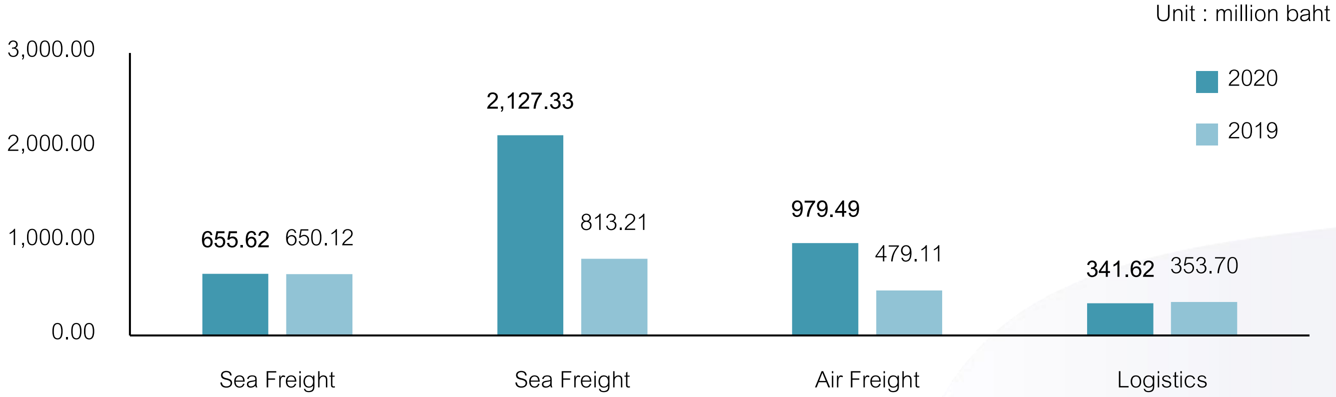
By results of operations The Company's revenue for the year 2020 was 3,995.53 million baht, an increase of 1,774.65 million baht or 79.91% of the previous year revenue. The increase in income resulted in the net profit in 2020 equal to 20.1.08 million baht, an increase of 139.11 million baht or equivalent to 224.48% of the net profit last year. This was due to the Company's performance in accordance with the established strategies and from the performance of subsidiaries that continued to improve.

The increased revenues were mainly due to revenues from subsidiaries such as WICE Logistics (Singapore) Pte. Ltd., WICE Logistics (Hong Kong) Limited and Euroasia Total Logistics (M) Sdn Bhd. The electronics group has increased transport volume and the continual increase in air freight prices.

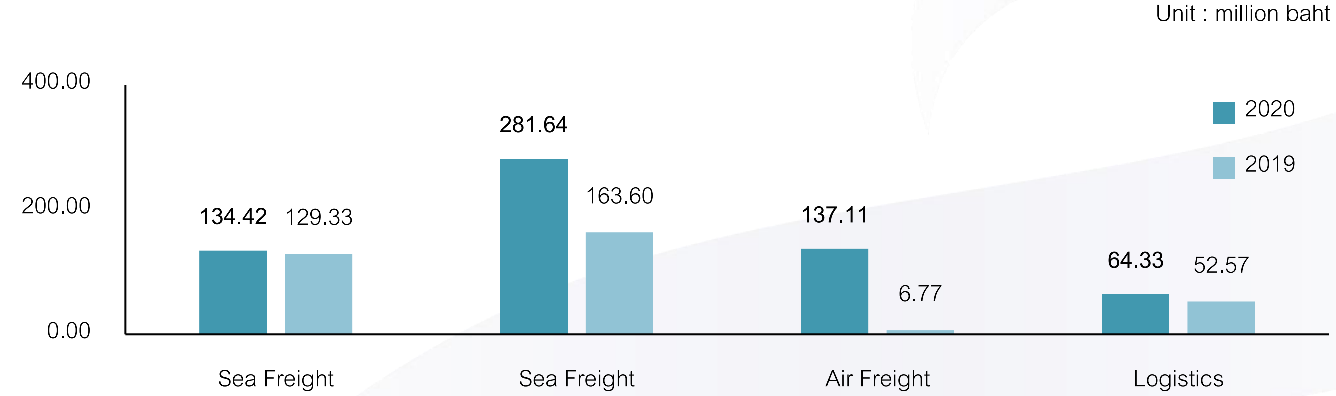
Gross profit in 2020 was 617.50 million baht, compared to the previous year, an increase of 75.29% this year, the company has effectively managed costs, we can see that the proportion of sales and administrative expenses to revenue in 2020 is Decreased with selling expenses accounted for 0.81%, a decrease from the previous year that was 1.54% and administrative expenses were 6.54%, down from the previous year which was 11.55% indicative To manage cost more efficiently

Performance by segment

Service income



Gross profit



Performance by segment

Unit : million baht

Service income	Q4/2020	Q4/2019	(%)	2020	2019	(%)
Sea freight	219.75	147.69	48.79%	655.62	650.12	0.85%
Air freight	766.09	231.96	230.27%	2,127.33	813.21	161.60%
Cross border service	372.07	165.83	124.37%	979.49	479.11	104.44%
Logistics management	88.32	79.96	10.45%	341.62	353.70	-3.42%
Total	1,406.69	611.44	130.06%	3,995.53	2,220.88	79.91%
Gross profit						
Sea freight	34.30	30.92	10.93%	134.42	129.33	3.94%
Air freight	90.39	52.17	73.26%	281.64	163.60	72.15%
Cross border service	41.98	7.78	439.59%	137.11	6.77	1925.26%
Logistics management	17.23	8.98	91.83%	64.33	52.57	22.37%
Total	183.90	99.85	84.17%	617.50	352.27	75.29%

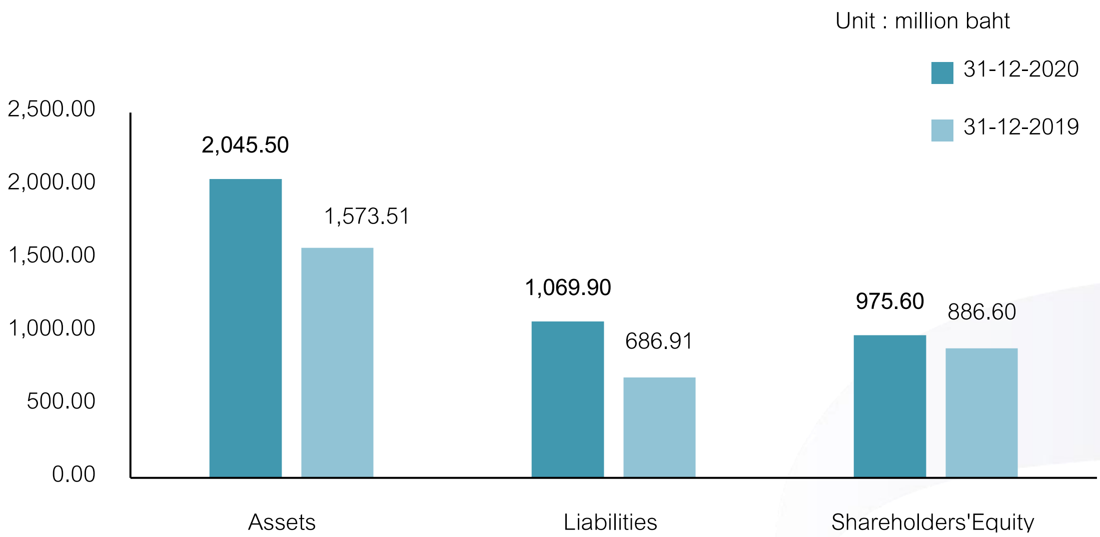
Revenue from Sea freight for 2020 was 655.62 million baht, an increase of 5.50 million baht or 0.85% of revenue last year and in Q4 / 2020, revenue was 219.75 million baht, an increase of 48.79% for Same period in the previous year The reason for the full year Sea freight revenue growth of only 0.85% is due to the drop in auto parts and Solar Panel customers in early 2020 but by the end of Q3 onwards, customers started. Come back to use the service It can be seen that marine freight revenue in 4Q20 has grown 48.79%. Gross profit from Sea freight for 2020 is 134.42 million baht, an increase of 5.09 million baht or 3.94% of gross profit. Beginning in the previous year and in Q4 / 2020, gross profit from Sea freight was 34.30 million baht, an increase of 10.93% of gross profit for the same period last year due to container shortage. Adjustment of Sea Freight prices increased in line with higher demand, allowing the company to manage to generate revenue and profits that increased by market forces.

Revenue from air freight for the year 2020 was 2,127.33 million baht, an increase of 1,314.12 million baht or 161.60% of the revenue for the previous year and in Q4 / 2020 it was 766.09 million baht, an increase of 230.27% of the revenue for Same period in the previous year Due to the increasing adaptation of the electronics industry Make the customers of the company, most of which are customers in the electronics group. There is an increase in the use of air freight services. In addition to the adjustment in freight prices, Air Freight has continued to increase in line with rising demand. Although in the third quarter, the freight began to decline, but still has not returned to normal. This resulted in the increase in the Company's revenue from air freight. Air freight gross profit for 2020 was 281.64 million baht, an increase of 118.04 million baht or 72.15% of the gross profit for the previous year and in Q4 / 2020, the gross profit from air freight was 90.39 million. Baht increased by 73.26% with increased gross profit due to increased income

Cross Border Services income for the year 2020 was 979.49 million baht, an increase of 500.38 million baht or 104.44% of the previous year revenue and in Q4 / 2020, the revenue was 372.07 million baht, an increase of 124.37% of the revenue. For the same period in the previous year Generated from revenue under the management of Euroasia Total Logistics Co., Ltd. by its existing customer base. Most of them are electronic customers. In 2020, customers will have more shipping demand. Causing the company's sales to increase until Full-service management has led companies to consider increasing their Capacity to meet the increasing demand of customers. Together with shipping by sea There is a container shortage problem. Likewise, the freight by air and freight are rising. Causing many customers to choose to switch to the service Cross Border Services (CBS) has resulted in cross-border land transport revenue growth of 104.44%. Gross profit from Cross Border Services for 2020 was 137.11 million baht, an increase of 130.34 million baht or 1,925.26. % Of gross profit last year and in Q4 / 2020 gross profit from cross-border transportation was 41.98 million baht, an increase of 439.59%, with a relatively high gross profit resulting from return trip cost management. Efficiently This resulted in the company profitable with the 2020 gross profit margin of 14%, an increase from the same period last year.

Logistics service income for the year 2020 was 341.62 million baht, a decrease of 12.08 million baht or 3.42% of the previous year revenue and in Q4 / 2020, the revenue was 88.32 million baht, an increase of 10.45% of Income for the same period in the previous year As customers in the auto parts segment have reduced their production capacity, jobs have been reduced in early 2020. We can see that in 4Q20, the revenue from logistics services The rise was caused by customers in the auto parts group starting to return to transportation. The gross profit from logistics services for the year 2020 was 64.33 million baht, an increase of 11.76 million baht or 22.37% of the gross profit last year and in Q4 / 2020 there was a gross profit from logistics services. Sticks was 17.23 million baht, an increase of 91.83%.

Analysis of financial position



Unit : million baht

Statement of financial	30 Dec 2020	31 Dec 2019	%
Asset	2,045.50	1,573.51	30.00%
Liabilities	1,069.90	686.91	55.76%
Shareholders 'equity	975.60	886.60	10.04%

The Company's total assets as of December 31, 2020 and December 31, 2019 were 2,045.50 million baht and 1,573.51 million baht, respectively, an increase of 471.99 million baht or 30.00% due to increased service income. Trade more The trade accounts receivable as of December 31, 2020 and December 31, 2019 were 953.06 million baht and 596.09 million baht, respectively, an increase of 356.97 million baht or 59.89% with the ratio of debt collection period in 2020 equal to 67 days. And in 2019 equal to 80 days, we can see that the company has effectively managed the collection system from customers.

The company had total liabilities as of December 31, 2020 and December 31, 2019, equal to 1,069.90 million baht and 686.91 million baht, respectively, an increase of 382.99 million baht or 55.76% due to the increased service cost, causing the trade payable to increase. And the company has a list of liabilities under the lease agreement. Coming into the financial statements this year According to the financial reporting standard No. 16, it has resulted in increased liabilities in the financial statements. In addition, Euro Asia Total Logistics Co., Ltd. has expanded work to increase Capacity, resulting in insufficient working capital in the company. The company has to borrow more money. And the company has borrowed money to buy the remaining 30% of WICE Logistics (Singapore) Pte. Ltd. shares, thus increasing the debt.

Milestones in 2020

Acquisition of ordinary shares of WICE Logistics (Singapore) Pte. Ltd..

On 5 May 2020, the Company acquired 210,000 ordinary shares or 30% of registered shares of WICE Logistics (Singapore) Pte. Ltd., from non-controlling interest at a price of SGD 5.4 million or Baht 123 million. As a result, the Company holds entire of shares of this subsidiary as presented below

	(Unit: Thousand Baht)
	Consolidated financial statements
Purchase price of additional investment in subsidiary	122,827
Less: Non-controlling interests of subsidiary	(67,678)
Deficit on change in percentage of shareholding in subsidiary	55,.149

Capital increase of common shares in Euroasia Total Logistics Co., Ltd.

On 23 June 2020, the Extraordinary General Meeting of Euroasia Total Logistics Company Limited, passed a resolution approving the increase in share capital of Baht 30 million (3 million ordinary shares of Baht 10 each). After an increase in share capital, the new registered capital was Baht 100 million (10 million ordinary shares of Baht 10 each).The Company paid Baht 12 million and non-controling interests of the subsidiary paid Baht 18 million in the additional shares in proportion of their shareholdings. The subsidiary registered the increase in capital with Ministry of Commerce on 29 June 2020.

Investment in Guangxi Euroasia Total Logistics Company Limited to restructure the shareholding of Euroasia Total Logistics Company Limited.

On 15 July 2020, the Board of Director meeting of Euroasia Total Logistics Company Limited, pass a resolution approving the investment in a new company established in China "Guangxi Euroasia Total Logistics Company Limited". The share capital was CNY 5 million (Baht 23 million). Euroasia Total Logistics Company Limited paid for share subscription by transferring its interest in Euroasia Total Logistics (China) Co,.Ltd, a subsidiary in China to Guangxi Euroasia Total Logistics Company Limited on 16 December 2020.

Establishment of a subsidiary of Euroasia Total Logistics Co., Ltd.

On 15 October 2020, the Board of Director meeting of Euroasia Total Logistics Company Limited, passed a resolution approving an investment in a new subsidiary established in Thailand "Euroasia Transport Company Limited", with objective to provide logistics service. This company has a registered capital of Bath 5 million (500,000 ordinary shares of Baht 10 each), and calls for share subscription at 25% for which the subsidiary has paid such amount. It commits to pay Baht 3.75 million for uncall portion.

Management views on trends and strategies in 2021

Due to the COVID-19 outbreak in 2020, many of the company's customers were affected. Unable to manage cargo Due to the shortage of containers Exponential price adjustments for air freight Which of these problems for the customer is the opportunity for the company to help deal with the customer problem by offering customers options to suit their needs appropriately. Together with all the WICE network of branches in the past, it is a very important strategy for the company. To deal with many shipping problems for customers effectively.

Outlook for the growth in 2021 of transportation services by categories:

1. Shipping services Tend to be better by automotive parts customers Began to come back to use the shipping service. Starting at the end of 2020 and increasing steadily in 2021, the direction of shipping is likely to grow from the previous year.
2. Customers in the electronics industry continued to transport. Air freight is likely to continue. In addition to the adjustment in freight prices, Air Freight has continued to increase in line with rising demand. Although at the end of 2020 the freight rate starts to decline slightly, it is still at a high level.
3. Cross-border service (CBS) is an alternative service that is very popular with customers today. The company expects that cross-border service (CBS) will continue to grow in the year 2020, the demand is high due to the demand for such services. At the end of last year The company has invested Purchasing additional 200 containers to increase the capacity to meet the needs of customers. The company is confident that revenue from cross-border service will grow quite high in 2021.
4. Logistics and supply chain solutions.by mid-year 2020, the company has Service design To be an alternative to customers To manage customer transportation costs to be competitive In order to meet the needs of customers who want to manage costs efficiently In the past year, the company had an opportunity to bid. And there is a good trend. Therefore, in 2021, the company thinks that revenue from logistics and supply chain solutions management services will grow exponentially