

9 August 2019

Subject : Management Discussion and Analysis Quarter 2 Ending 30 Jun 2019

To : The President  
The Stock Exchange of Thailand

WICE Logistics Public Company Limited would like to explain and analyze the operating results that have changed for Quarter 2 Ending 30 Jun 2019 with the following details:

Unit : million baht

Statement of financial position	For the year ended 30 June					
	2019	Ratio	2018	Ratio	Increase / (Decrease)	
					Amount	Ratio
Service revenue	537.80	100%	429.18	100%	108.62	25.31
Other income	8.39	1.56%	6.53	1.52%	1.86	28.53
Cost of service	460.91	85.70%	331.19	77.17%	129.72	39.17
Expenses of sales	9.13	1.70%	12.69	2.96%	-3.56	-28.04
Expenses of management	69.87	12.99%	48.24	11.24%	21.63	44.85
Expenses of financial	0.36	0.07%	0	0%	0.36	100
Expenses of tax income	1.83	0.34%	7.89	1.84%	-6.07	-76.88
Net income	4.10	0.76%	35.71	8.32%	-31.61	-88.53
Profit sharing						
Attributed to the shareholders of the Company	9.43	1.75%	29.62	6.90%	-20.19	-68.17
Attributed to the stakeholders with non-controlling capability in subsidiary companies	-5.33	-0.99%	6.09	1.42%	-11.42	-187.63

Revenue from the Company's services for the 3 months period Ended 30 June 2019 and 30 June 2018 equal to 537.80 million baht and 429.18 million baht, respectively, increased by 108.62 million baht or 25.31 percent. Euroasia

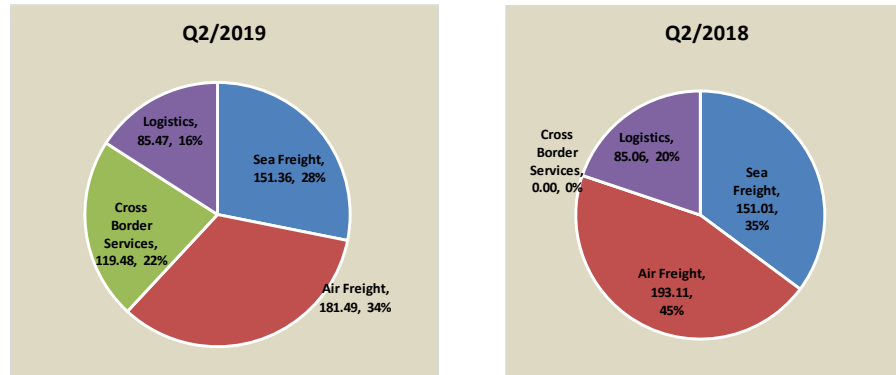
Total Logistics Co., Ltd., in the proportion of 40% of total ordinary shares Therefore the company must have revenue recognition into the financial statement Resulting in increased service revenue Which can classify income as follows

Unit : million baht

Service	For the three-month period Ended 30 June 2019	For the three-month period Ended 30 June 2018	Increase / (Decrease)	Percentage
Sea Freight	151.36	151.01	0.35	0.23
Air Freight	181.49	193.11	-11.62	-6.02
Cross-border transport	119.48	0	119.48	100
Logistics Management	85.47	85.06	0.41	0.48
Total Service Revenue	537.80	429.18	108.62	25.31

1. Revenue from marine cargo handling for the 3 months period ended 30 June 2019 and 30 June 2018 equal to 151.36 million baht and 151.01 million baht respectively, increased by 0.35 million baht or 0.23 percent respectively, as in the automotive parts customers Who came to use the service since the end of 2018, which is a service work with contracting customers to use the service continuously until the present
2. Revenue from air cargo management for the 3 months period ended 30 June 2019 and 30 June 2018 equal to 181.49 million baht and 193.11 million baht, a decrease of 11.62 million baht, equivalent to 6.02 percent, respectively. Project work ended in November 2019, resulting in a decrease in revenue compared to this year.
3. Revenue from land transportation management services for the 3 months period Ended 30 June 2019, equal to 119.48 million baht and 30 June 2018, there is no service income in this section When compared to the previous year, an increase of 119.48 million baht or 100 percent was a result of the recognition of Euroasia Total Logistics Co., Ltd., which has services to manage land transportation across the border. Is the main income
4. Revenue from logistics management services for the three-month period ended 30 June 2019 and 30 June 2018 equal to 85.47 million baht and 85.06 million baht respectively, when compared to the previous year, an increase of 0.41 million baht or 0.48 percent, which is caused by the same customer group that uses freight services by sea By using a full range of services, including customs clearance services And land transportation services

Compare the proportion of revenue from services after the company starts to recognize revenue from Euro Asia Total Logistics. The proportion of revenue has changed, with the proportion of revenue from land transport management across the border. Significantly increased Summary of changes in proportion as follows



In the second quarter of 2018, revenue from sea freight management accounted for 28%. Air Freight revenue was equal to 34% of the revenue from cross border services is 22% and the revenue from logistics management is 16%.

The cost of services for the 3 months periods ended 30 June 2019 and 30 June 2018 is 460.91 million baht and 331.19 million baht, respectively, increasing by 129.72 million baht or 39.17 percent compared to the year. Before Caused by increased revenue Therefore increasing the cost of service and because Euroasia Total Logistics Co., Ltd. is a company that engages in cross-border transportation. Therefore, the cost of investing in the tractor is quite high. Resulting in increased management costs Resulting in a higher proportion of costs compared to revenue in addition, the company has the main customers with long-term contracts, causing the selling price to be inconsistent with the rising freight costs. In this issue, the company has improved the sales process with customers by changing the way of contracting with customers into short-term contracts to manage the risk of freight costs that are fluctuating.

Administrative expenses of the company for the 3 month period Ended on 30 June 2019 and 30 June 2018, equal to 69.87 million baht and 48.24 million baht respectively, increased by 21.63 million baht or 44.85 percent, caused by the administrative expenses of Euroasia Total Company Logistics Co., Ltd., a company that started the first phase of operations, therefore has a high management cost. In addition, the company has to recognize the costs of retirement estimates that are changed according to the law. Which changed from a 300-day compensation plan to 400 days, therefore, there was an additional expense of 3.10 million baht and from the baht appreciation which resulted in the company having a loss on exchange rate of 2.20 million baht.

Net profit for the three-month period ended 30 June 2019 and 30 June 2018, equal to 9.43 million baht and 29.62 million baht respectively, decreased by 20.19 million baht or 68.17 percent, mainly due to Euroasia Total Logistics Company Ltd. is in the beginning of the operation Therefore has a high investment cost and administrative expenses In addition, in this quarter, the Company had expenses for one time of Expense to be compared when compared to the previous year. Resulting in lower net profit

For the financial position of the company as of 30 June 2019 as follows

Statement of financial	30 June 2019	31 December 2018	Unit : million baht	
			Increase (Decrease)	Percentage
Asset	1,383.55	1,419.80	-36.25	-2.55
Liabilities	522.57	462.61	59.96	12.96
Shareholders 'Equity	860.98	957.19	-96.21	-10.05

The cause of the company's financial situation changed

1. The company has total assets as of 30 June 2019 and 31 December 2018, equal to 1,383.55 million baht and 1,419.80 million baht respectively, decreasing by 36.25 million baht or 2.55 percent, which decreases. With the following notice
  - 1.1 Cash decreased as of 30 June 2019 and 31 December 2018, equal to 146.92 million baht and 208.23 million baht, respectively, decreased by 61.31 million baht or 29.44% caused by the company taking some savings deposits to invest in investments. Short-term in low-risk mutual funds to manage returns better than savings deposits and the dividend was paid to shareholders in May.
  - 1.2 Increase in trade accounts receivable as at 30 June 2019 and 31 December 2018, equal to 468.98 million baht and 442.46 million baht, respectively, increased by 26.52 million baht or 5.99 percent from the increase in revenue, resulting in more debtors However, such debtors are debtors with normal repayment ability.
2. The Company has total liabilities as at 30 June 2019 and 31 December 2018, equal to 522.57 million baht and 462.61 million baht respectively, increasing by 59.96 million baht or 12.96 percent resulting from Euro Asia Total Logistics Company Limited Ltd. has invested in the purchase of towing and towing trailers, together with the company having to spend money on ongoing operations in the first phase, therefore, borrowing money from financial institutions Causing more liabilities

- 3 The company has shareholders' equity as of 30 June 2019 and 31 December 2018, equal to 860.98 million baht and 957.19 million baht, a decrease of 96.21 million baht or 10.05 percent due to lower operating profit. Together with the dividend payment, thus reducing the equity of the shareholders

Please be informed accordingly.

Yours sincerely,



(Miss Poramaporn Chamnongsuk)

Company Secretary