

11 November 2019

Subject : Management Discussion and Analysis Quarter 3 Ending 30 September 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 3 Ending 30 November 2019 with the following details:

Unit : million baht

Statement of financial position	for the 3 months ended 30 September					
	2019	Ratio	2018	Ratio	Increase / (Decrease)	
					Amount	Ratio
Service income	590.71	100%	486.67	100%	104.05	21.38
Cost of service	492.01	83.29%	385.15	79.14%	106.86	27.75
Gross Profit	98.71	16.71%	101.52	20.86%	(2.81)	(2.77)
Other income	0	0%	3.86	0.79%	(3.86)	(100)
Cost of sales	8.22	1.39%	11.07	2.28%	(2.86)	(25.80)
Administrative expenses	59.30	10.04%	48.76	10.02%	10.54	21.61
Financial expenses	1.76	0.30%	1.60	0.33%	0.16	9.98
Share of losses from associates	0.17	0.03%	0	0%	0.17	100
Income tax	8.12	1.37%	6.92	1.42%	1.21	17.44
Net profit	21.14	3.58%	37.03	7.61%	(15.89)	(42.92)
Profit sharing						
Attributed to the shareholders of the Company	27.54	4.66%	30.76	6.32%	(3.22)	(10.48)
Attributed to the stakeholders with non-controlling capability in subsidiary companies	-6.41	-1.08%	6.26	1.29%	(12.67)	(202.27)

Service income of the company for the three-month period Ending 30 September 2019 and 30 September 2018 equals to 590.71 million baht and 486.67 million baht respectively, an increase of 104.05 million baht or 21.38%. Euro Asia Total Logistics Co., Ltd. in the proportion of 40% of the total ordinary shares. In addition, WICE Logistics (Hong Kong) Limited has purchased ordinary shares of WICE Logistics (Shenzhen) Company Limited in proportion 70% of the total shares the company must therefore have an income recognition. Into the financial statements Resulting in a significant increase in service revenue Which can be classified as follows

Unit : million baht

Service	For the three-month period Ended 30 Sep 2019	For the three-month period Ended 30 Sep 2018	Increase / (Decrease)	Percentage
Sea Freight	167.78	155.55	12.23	7.86
Air Freight	215.46	262.57	-47.11	-17.94
Logistics Management	98.81	92.73	6.08	6.56
Cross-border transport	125.90	0	125.90	100
Related party transactions	-17.23	-24.18	6.95	-28.73
Total Service Revenue	590.71	486.67	104.05	21.38

1. Revenue from Sea freight management for the three months ending 30 September 2019 and 30 September 2018 equals 167.78 million baht and 155.55 million baht respectively, increased by 12.23 million baht or 7.86% respectively due to the recognition of revenue from WICE Logistics (Shenzhen) Company Limited which The main revenue is the revenue from the sea freight services, which has caused the revenue in this section to increase.
2. Revenue from air freight management For the three months ending 30 September 2019 and 30 September 2018 equals 215.46 million baht and 262.57 million baht, a decrease of 47.11 million baht, representing 17.94%, respectively, from the trade war situation affecting customers in the electronics 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 three months ending on September 30, 2019 and September 30, 2018 were 98.81 million baht and 92.73 million baht respectively, compared to the previous year increased by 6.08 million baht or 6.56%, which is caused by the same group of customers that use freight services by sea Which will use the full range of services including customs clearance services and land transportation services
4. Revenue from cross-border land transportation services for the three months ending 30 September 2019 equals 125.90 million baht and 30 September 2018 there is no service revenue in this section Compared to the previous

year, an increase of 125.90 million baht or 100% is due to the recognition of Euroasia Total Logistics Co., Ltd., which has cross-border land transportation services. Is the main income

Gross profit for the three-month period Ended 30 September 2019 and 30 September 2018 equals to 98.71 million baht and 101.52 million baht respectively, compared to the previous year decreased by 2.81 million baht or 2.77 percent. The company's service cost for the period Three-month periods ended 30 September 2019 and 30 September 2018 were 492.01 million baht and 385.15 million baht respectively, increased 106.86 million baht or 27.75% compared to the previous year. Caused by increased revenue Therefore resulting in increased service costs

Gross profit margin for the 3 quarter of 2019 is 16.71% and for the 3 quarter of 2018 is 20.86% decreasing from the previous year because Euroasia Total Logistics Company Limited is a company that operates transportation business. Cross Therefore there is a high cost of investment in a tractor unit Resulting in increased management costs Resulting in a high ratio of costs when compared to high incomes, the profitability rate therefore decreased too

Administrative expenses of the company for the three-month period ended 30 September 2019 and 30 September 2018 equals to 59.30 million baht and 48.76 million baht respectively, increased by 10.54 million baht or 21.61%. The recognition of both income and expenses from Euro Asia Total Logistics Co., Ltd. and WICE Logistics (Shenzhen) Company Limited, the proportion that was consistent, was no different. With administrative expenses compared to incomes at around 10%

The company's net profit for the three-month periods ended 30 September 2019 and 30 September 2018 was 27.54 million baht and 30.76 million baht respectively, decreased by 3.22 million baht or 10.48%. The main reason is due to Euro Asia Total Logistics Co., Ltd. has 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 financial position of the company as of 30 September 2019 is as follows:

Unit : million baht

Statement of financial	30 Sep 2019	31 Dec 2561	Increase (Decrease)	Percentage
Asset	1,484.45	1,419.80	64.65	4.55
Liabilities	605.65	462.61	143.04	30.92
Shareholders 'Equity	878.80	957.20	-78.39	-8.19

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

1. The company has total assets as of 30 September 2019 and 31 December 2018, equal to 1,484.45 million baht and 1,419.80 million baht, respectively, an increase of 64.65 million baht or 4.55 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 September 30, 2019 and December 31, 2018 equal to 605.65 million baht and 462.61 million baht respectively, increased by 143.04 million baht or 30.92% due to the increase in service costs causing trade payables to increase In addition, Euroasia 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 had shareholders' equity as of 30 September 2019 and 31 December 2018, equal to 878.80 million baht and 957.20 million baht, a decrease of 78.39 million baht or 8.19% 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