



No. NCL-M 21/62

November 12, 2019

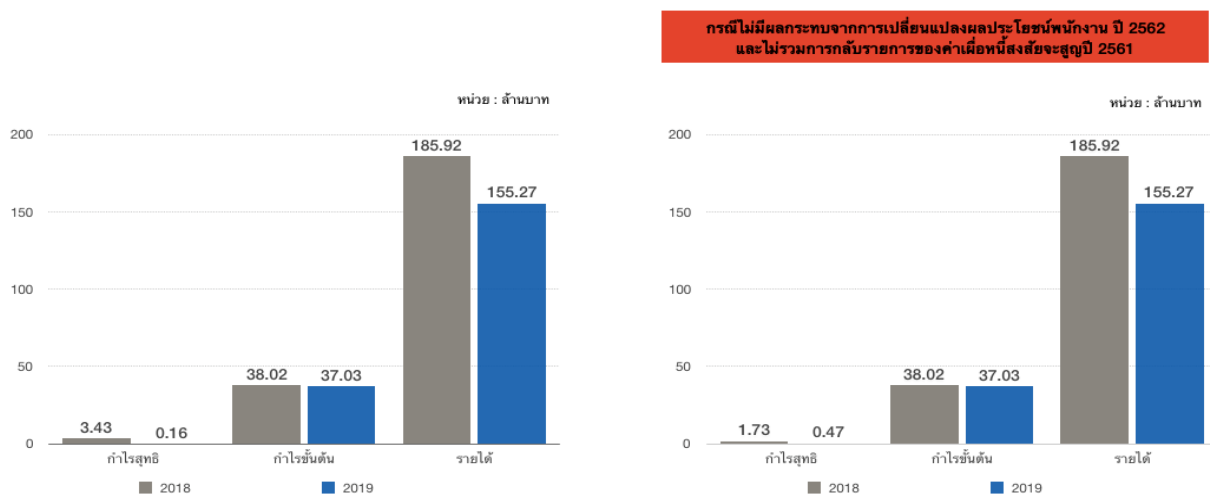
Subject: The clarification and analysis of the management of NCL International Logistics Public Company Limited and its subsidiaries (the "Company") on the Company's financial statements for the 9 months ended 30 September 2019 that changed more than 20 percent.

To : President,

The Stock Exchange of Thailand

NCL International Logistics Public Company Limited and its subsidiaries (the "Company") would like to clarify the description and analysis of the management. Based on the Company's financial statements for the 9 months ended 30 September 2019

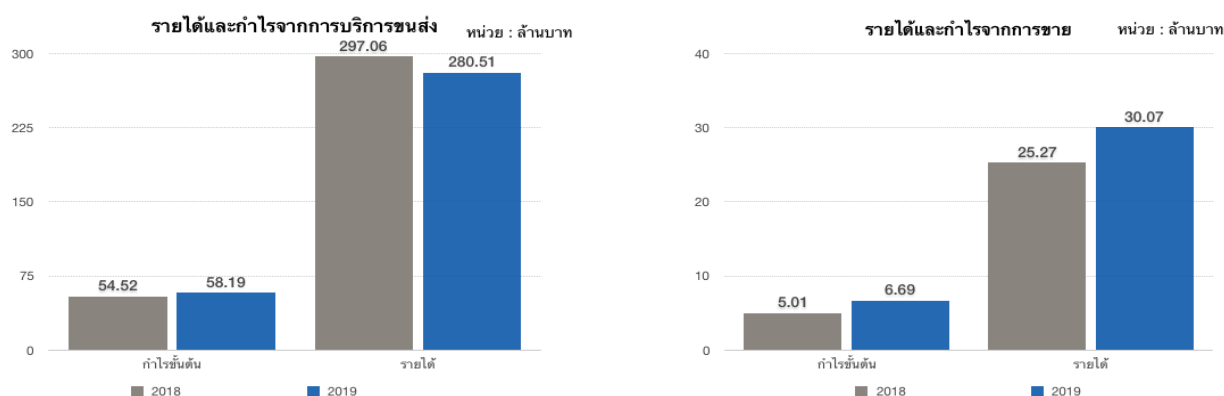
While considering the Company financial statement, particularly the third quarter, 3 months' period ended 30 September 2019:



Separate Financial Statement for the third quarter, the last 3 months end on 30 September 2019. The net profit is 0.16 million Baht which is less than the previous quarter up to 3.27 million Baht. Although the income from the transport services have decreased but the income is similar to the income during the same period last year. The net profit of the third quarter of the year 2018 is more the third quarter of the year 2019 as the third quarter of the

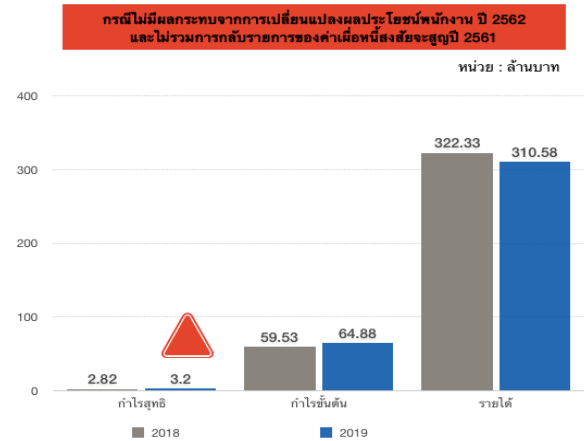
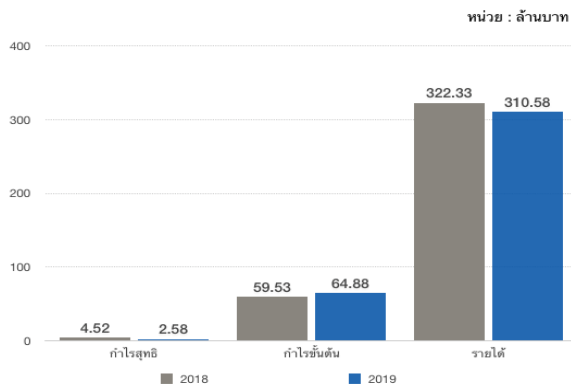
year 2018 has the allowance for doubtful accounts at the amount of 1.7 million Baht. The third quarter of 2019 had additional management fee as subsidiaries were established abroad. This caused additional travelling expenses and related expenses. The vehicle depreciation is 0.54 million Baht more as more tractors were bought from the subsidiaries during the year as a means to transport the products to the new customers. The long term employee's benefits have increased to 0.31 million Baht as the severance pay is increased. The employees who have worked for more than 20 years consecutively shall receive the severance pay of last 400 days. Such law is enforced from 5 May 2019. If such affect is not included, the net profit of the third quarter of the year 2019 is decreased by 1.26 million Baht from last year.

Consolidated Financial Statement for the third quarter (3 Months Period)



The financial statement of the third quarter (3 months), the company has an income from transportation services. For the 3 months ending on 30 September 2019 is equivalent to 280.51 million Baht. It has decreased from last year at the amount of 16.55 million Baht or 5.57 percent. But the company's initial income has increased by 3.66 million Baht or 6.72 percent as the company has controlled the principal in an appropriate way. The turnover of the subsidiary which were established last year had full year turn over. Presently, there are 5 companies in United States, Vietnam, Indonesia and Qingdao and Ningbo, China.

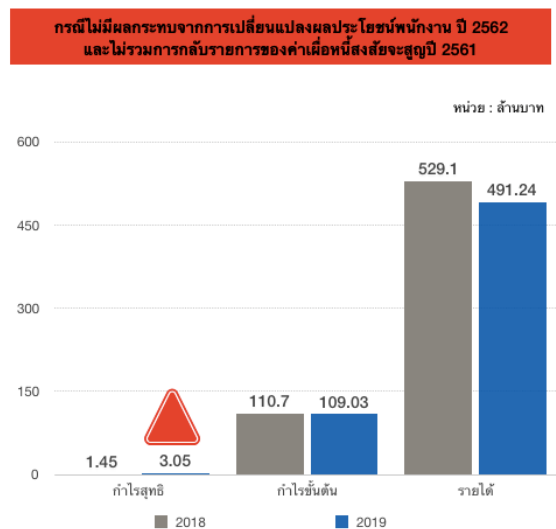
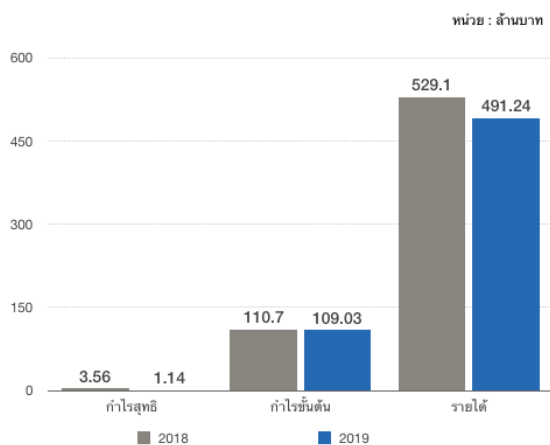
The Company Group earns the income from the sale for the 3 months period ended 30 September 2019 for 30.07 million baht. This is because of the income earned by Grace Water Made Co., Ltd. ("GWM"), the Company running the business of dialysate and medical supply manufacturing and distribution, which increased from the same period of the previous year for 4.80 million baht or 18.99%, resulting in the increase of the Company Group's gross profit for 1.67 million baht or 33.35%. It is because the Company is more well-known and the customer base is extensively extended.



The combination of those two incomes results in the Company Group's income for 3 months period of 310.58 million baht, 3.64 percent decrease compared with the previous year, and the total gross profit is 64.88 million baht, increased from the previous year for 8.99 percent

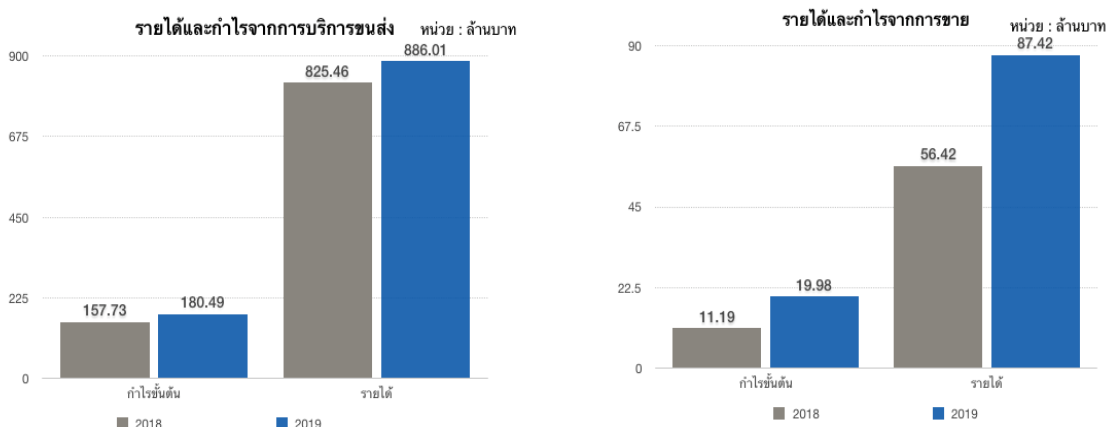
The turnover for the 3 months ending on 30 September 2019, the company had a net profit of 2.58 million Baht equivalent to 0.83 percent of the income occurring from services and sale. For the financial statement of 3 months of the current year, the expense has increased due to the expenses and employee's benefits at the amount of 0.62 million Baht as the severance pay rate has increased when compared to the previous year. The allowance for doubtful accounts is 1.7 million Baht. If such change is not considered in the current installment, the company will have net profit of 3.20 million Baht which is more than of previous year by 0.38 million Baht or equivalent to 13.47 percent.

After considering the Company financial statement for 9 months period ended 30 September 2019.



The financial statement of 9 months ending on 30 June 2019 has the net profit of 1.14 million Baht which has decreased from previous year 2.42 million Baht. Though the transportation service fee has decreased from the previous year but the initial income of the company is similar to the previous year as the company could control the principal management in an appropriate way. The net profit of 9 months of the year 2019 has decreased from the previous year. For the year 2018 the allowance for doubtful accounts was 2.11 million Baht more than of this year. In the year 2019, the management expenses have increased. This has caused additional travelling expenses and related expenses. The long term employee's benefits have increased to 1.91 million Baht as the severance pay rate is increased. The employees who have worked for more than 20 years consecutively shall receive the severance pay of last 400 days. If such effect of the severance pay as per the law and allowance for doubtful accounts is not included, the year 2019 will have net profit of 3.05 million Baht which has increased from the previous year at the amount of 1.60 million Baht or equivalent to 110.35 percent.

Consolidated Financial Statement for 9 Months Period

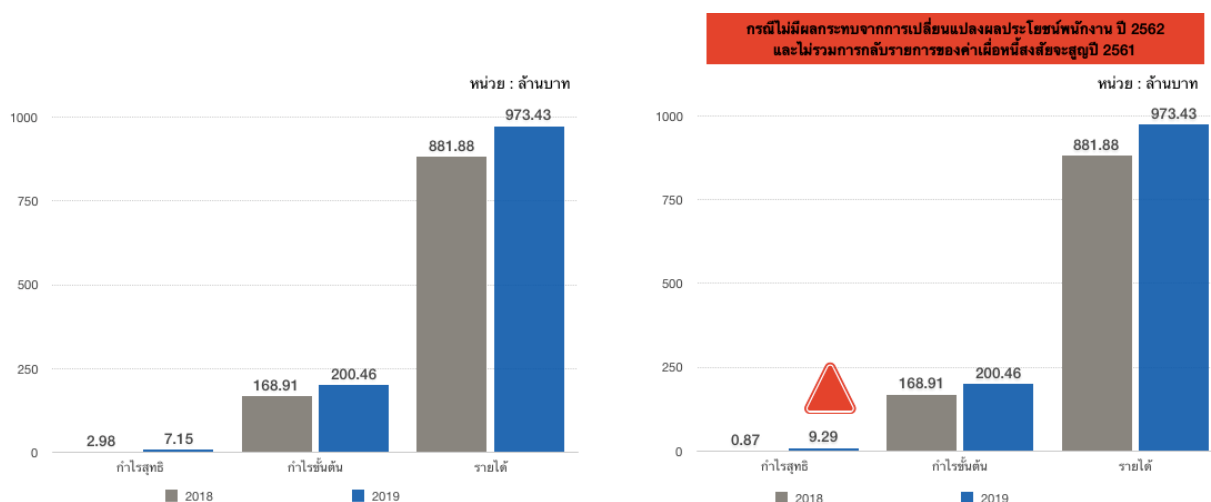


Consolidated financial statements, the Group has revenue from transportation services for the 9 month period ended on 30 September 2019 in amount of 886.01 million baht, which is increased from the same period of last year by 60.56 million baht or 7.34 percent, as a result, the Group's gross profit increased by 22.75 million baht or 14.43 percent. Since in the year 2019, there are increased operating results, in comparison to the same period of last year, from 5 subsidiaries established in the United States, Vietnam, Indonesia, Qingdao, and Ningbo, China with total income of 86.46 million baht resulting in an increase in gross profit of 14.16 million baht as well as LG Container Lines Singapore, subsidiary, a newly opened subsidiary to carry out business as a transportation body with its own container, formerly under the operation of its subsidiary in Thailand. As for the subsidiaries in Thailand, there will be only revenue and costs from representative and transportation activities in the country (said subsidiary in Thailand has already sold to all third parties since 1 May 2019). After combining revenues of both companies together and

comparing with the previous year, revenue has increased and cost is reduced, resulting in an increase in gross profit of 2.86 million baht because the Company is able to better manage containers.

The Group has revenue from sales for the 9 month period ended on 30 September 2019 in amount of 87.42 million baht, as subsidiary, Grace Water Med Company Limited (“GWM”), operating business of producing and selling dialysis solutions and various medical supplies, which increased from the same period of last year by 31.00 million baht or 54.94 percent, as a result, the Group's gross profit increased by 8.79 million baht or 78.59 percent. As GWM has been a subsidiary of the Group since March 2018, only 7 months operating results are therefore included in the consolidated financial statements for the 9 month period ended on 30 September 2018, but in this year, there are 9 months operating results included in the consolidated financial statements, together with the increase in sales of liquid products and products because the company becomes more well-known and able to expand its customer base significantly, resulting in a net profit attributable to the Company of Baht 2.82 million (in proportion to the shareholding) for this business of producing and selling dialysis and pharmaceuticals.

Consolidated Financial Statement



When combining both revenues together, the Group has total revenues of 973.43 million baht, which increased by 10.38 percent from the previous year, and gross profit of 200.46 million baht, which increased by 18.68 percent from the previous year.

Operating results for the 9 month period ended on 30 September 2019, the Group had a net profit of 7.15 million baht or 0.73 percent of revenue from services and sales revenue due to:

1. There is an increase in consulting fee income of 3.22 million baht from the previous year from providing consulting services on domestic transportation operations.
2. Having profits from the sale of investments in subsidiary, LG Container Lines Company Limited, amount to 11.15 million baht, due to such investment was sold at a price greater than investment value previously recognized as loss of the Company in the consolidated financial statements for the past periods.
3. Selling and administrative expenses increased by 29.79 million baht due to expenses of 5 subsidiary companies, which increased from the previous year, in total amount of 19.19 million baht due to being in the

beginning and expanding period. Expenses of GWM increased from the same period of last year by 3.41 million baht and expenses of NCL Singapore subsidiary increased by 4.64 million baht due to expanding LCL work has also increased number of staff and the office has been relocated to support such expansion, resulting in cost of moving and amortization of original office improvement, which subsidiary companies later fully operate making operating results of the Group improved respectively.

4. Other expenses increased from the previous year in amount of 7.45 million baht are from:

- SSK Inter Logistics Company Limited (“SSK”), subsidiary, has returned 10 cement mixer trucks under financial lease agreement to leasing company because the subsidiary wants to restructure business by focusing on the expert transportation business, all the cement mixers have been therefore written off from the assets and liabilities under financial lease agreement, resulting in a loss from the write-off of 2.60 million baht and recognized additional loss from write-off in the consolidated financial statements of 3.50 million baht, due to such trucks show fair value higher than book value on business merging date.

- SSK Inter Logistics Company Limited (“SSK”) has transferred assets, trailer trucks that SSK has not used effectively, to reduce capital of a group of shareholders, which book value is higher than fair value, resulting in an impairment loss of 1.40 million baht, in order to reduce the Company’s cost caused by ineffectively use of trailer trucks, which management has already seen that sales process may cause cost burden and damage to the Company in the future.

The current financial statement has additional expenses for long term employees at the amount of 2.14 million Baht as the severance pay due to termination of employment. The employees who have worked for more than 20 years consecutively shall receive the severance pay of last 400 days. The previous year the allowance for doubtful accounts were more than of the current year at the amount of 2.11 million Baht. If such change is not included in the current year, the company would have the net profit of 9.29 million Baht which is more than previous year at the amount of 8.42 million Baht or equivalent to 967.82 million Baht.

Please be inform accordingly,

Yours sincerely,

(Mr. Kitti Phuathavornskul , Ms.Netirad Sang- ngam)