

13 May 2020

Subject : Management Discussion and Analysis Quarter 1 Ending 31 Mar 2020

To : The President  
The Stock Exchange of Thailand

WICE Logistics Public Company Limited would like to clarify the operating results that have changed for the first quarter of 2020, ended March 31, 2020 with the following details

Unit : million baht

Statement of financial position	For the year ended 31 March					
	2020	Ratio	2019	Ratio	Increase / (Decrease)	
					Amount	%
Service revenue	646.34	100%	480.92	100%	165.42	34.40
Cost of service	531.42	82.22%	404.10	84.03%	127.32	31.51
Gross profit	114.91	17.78%	76.82	15.97%	38.10	49.59
Other income	10.29	1.59%	2.06	0.43%	8.23	400.34
Expenses of sales	6.89	1.07%	8.06	1.68%	-1.17	-14.46
Expenses of management	62.69	9.70%	55.23	11.48%	7.46	13.50
Expenses of financial	3.96	0.61%	2.29	0.48%	1.67	72.88
Expenses of tax income	6.68	1.03%	4.21	0.88%	2.47	58.50
Net income	44.98	6.96%	9.08	1.89%	35.90	395.24
Profit sharing						
Attributed to the shareholders of the Company	30.27	4.68%	11.65	2.42%	18.62	159.85
Attributed to the stakeholders with non-controlling capability in subsidiary companies	14.72	2.28%	2.57	-0.53%	17.28	673.72

Service income from the company for the three-month periods ended March 31, 2020 and March 31, 2019 were 646.34 million baht and 480.92 million baht, respectively, increased by 165.42 million baht or 34.40% due to increased

revenue in the electronic customer group. In the air freight segment and increased revenue from Cross Border Service which can be classified as follows

Unit : million baht

Service	For the three-month period Ended March 31, 2020	For the three-month period Ended March 31, 2019	Increase / (Decrease)	Percentage
Sea Freight	127.24	175.14	(47.90)	-27.35
Air Freight	301.45	162.73	138.72	85.25
Logistics Management	90.10	86.94	3.16	3.63
Cross Border Service	127.55	56.11	71.44	127.32
Total Service Revenue	646.34	480.92	165.42	34.40

1. Revenue from Sea Freight for the three-month periods ended March 31, 2020 and March 31, 2019 was 127.24 million baht and 175.14 million baht, respectively, decreased by 47.90 million baht or 27.35 % due to the COVID-19 some customers of the company changed the transportation to air transport and cross border service
2. Revenue from Air Freight for the three-month periods ended March 31, 2020 and March 31, 2019 was 301.45 million baht and 162.73 million baht respectively, an increase of 138.72 million baht or 85.25% due to the COVID-19 on the expansion in the electronics industry. Therefore, the revenue from the customers in the electronics group of the company Increase in air freight operations
3. Revenue from Logistics Management for the three-month periods ended March 31, 2020 and March 31, 2019 equals 90.10 million baht and 86.94 million baht, respectively, an increase of 3.16 million baht or 3.63 % due to the increase in warehouse projects in This year
4. Revenue from Cross Border Service for the three-month periods ended March 31, 2020 and March 31, 2019 was 127.55 million baht and 56.11 million baht respectively, an increase of 71.44 million baht or 127.32 % as a result of recognition The income of Euroasia total Logistics Co., Ltd., which is the main cross-border land transportation service, which in the previous year the company started operating in the first phase, therefore the revenue came to Not much In this year, the company There is a full management of the marketing process, resulting in increased revenue from the previous year.

Gross profit for the three-month periods ended March 31, 2020 and March 31, 2019 equals 114.91 million baht and 76.82 million baht respectively, compared to the previous year increased by 38.10 million baht or 49.59%. The company for the three-month periods ended March 31, 2020 and March 31, 2019 were 531.42 million baht and 404.10 million baht, respectively, when compared to the previous year, an increase of 127.32 million baht or 31.51 % due to increased revenue. There resulting in increased service costs in the right proportion

Gross margin for the three-month periods ended March 31, 2020 and March 31, 2019 were 17.78% and 15.97% respectively, increased from the previous year. as the cross-border land transportation service segment has a process to manage costs more efficiently. as result, land transportation across the border increased profitability from the previous year. which is in the beginning of operation

Other income for the three-month periods ended March 31, 2020 and March 31, 2019 equals 10.29 million baht and 2.06 million baht respectively, compared to the previous year increased by 8.23 million baht or 400.34 % due to the financial situation that The appreciation during the 1st quarter of this year resulted in the company having more foreign exchange gain this year.

Selling expenses of the company for the three-month periods ended March 31, 2020 and March 31, 2019 was 6.89 million baht and 8.06 million baht respectively, compared to the previous year decreased by 1.17 million baht or 14.46 %. COVID-19 is therefore required to comply with the Social Distancing measures, resulting in reduced travel expenses abroad.

Administrative expenses of the company for the three-month periods ended March 31, 2020 and March 31, 2019 were 62.69 million baht and 55.23 million baht respectively, compared to the previous year increased by 7.46 million baht or 13.50% due to the recognition of revenue in this year. Receive WICE Logistics (Shenzhen) Co., Ltd. Expenses which is the same proportion that is not different from before. In which administrative expenses compared to income are approximately 10% -11%

The company's financial expenses for the three-month periods ended March 31, 2020 and March 31, 2019 is equal to 3.96 million baht and 2.29 million baht respectively, compared to the previous year increased by 1.67 million baht or 72.88 %. The reason is due to the recognition of loss from Adjustment of investment value in accordance with financial reporting standards Financial Instrument Group Causing the company to recognize loss from revaluation of investments in debt securities, which measure fair value Into the income statement, resulting in increased financial expenses this year

Corporate income tax expenses For the three-month periods ended March 31, 2020 and March 31, 2019 equals 6.68 million baht and 4.21 million baht, respectively, when compared to the previous year increased by 2.47 million baht or 58.50% due to the increase in net profits. Increase corporate income tax

The company's net profit for the three-month periods ended March 31, 2020 and March 31, 2019 equals 30.27 million baht and 11.65 million baht, respectively, compared to the previous year increased by 18.62 million baht, representing 159.85 % due to the company There is an increase in revenue among electronic customers. In the air freight segment and increased revenue from cross-border land transportation in addition, the Cross Border Service

segment has a process to manage costs more efficiently. As a result, Cross Border Service increased profitability from the previous year.

For the financial position of the company as of March 31, 2020 as follows

Unit : million baht

Statement of financial	31 March 2020	31 DEC 2019	Increase (Decrease)	Percentage
Asset	1,757.85	1,573.51	184.34	11.72
Liabilities	830.88	686.91	143.97	20.96
Shareholders 'Equity	926.97	886.60	40.37	4.55

The cause of the company's financial situation changed

1. The company's total assets as of March 31, 2020 and March 31, 2019 were 1,757.85 million baht and 1,573.51 million baht respectively, an increase of 184.34 million baht or 11.72% due to an increase in trade receivables. Due to increased income and the company has asset usage rights list into the financial statements this year According to the financial reporting standard no. 16 , therefore made the assets in the financial statements increase
2. The company's total liabilities as of March 31, 2020 and March 31, 2019 were 830.88 million baht and 686.91 million baht respectively, an increase of 143.97 million baht or 20.96 percent due to the increase in service costs causing trade payables to increase. And the company has liabilities under lease agreements into the financial statements this year According to Financial Reporting Standard No. 16, therefore, resulting in increased liabilities in the financial statements. In addition, Euro Asia Total Logistics Company Limited has increased more work which causes insufficient working capital in the company. The company therefore additional loans. resulting in increased debt in this year
3. The company has shareholders' equity as of March 31, 2020 and March 31, 2019 equal to 926.97 million baht and 886.60 million baht, respectively, increased by 40.37 million baht or 4.55% due to increased operating profits, resulting in of shareholders

Please be informed accordingly.

Yours sincerely,



(Miss Poramaporn Chamnongsuk)

Company Secretary