

- Information Memorandum-  
WICE Logistics Public Company Limited (WICE)

<u>Head Office</u>	WICE PLACE Building No.88/8 Nonsi Road, Chong Nonsi, Yan Nawa, Bangkok 10120 Tel. 02-681-6181 Fax. 02-681-6173-75 <a href="http://www.wice.co.th">www.wice.co.th</a>
<u>Listing Date</u>	July 28, 2015 (Trading commencement on July 28, 2015)
<u>Listed securities</u>	600,000,000 common shares at par value of Baht 0.50 per share, equivalent to Baht 300 million.
<u>Capital</u>	As of July 28, 2015 (Trading commencement) Registered capital: Common shares of Baht 300 million (600 million shares) Paid-up capital: Common shares of Baht 300 million (600 million shares)
<u>Secondary market</u>	Stock Exchange of Thailand (SET)
<u>Offering Price</u>	150,000,000 common shares at Baht 2.10 per share for 1. public offering amounting 142,500,000 shares 2. employees and executives (who are not directors) of the company amounting 7,500,000 shares
<u>Subscription period</u>	July 20 – 22, 2015 (3 business day) for public offering and employees

Objectives and plans for utilizing the capital increase

Objectives for utilizing the capital	Approximately Amount (MB)	Expected Utilize Period
1. Trucks and Trailers acquisition	80	Within the Second Quarter of 2016
2. Trucks and Trailers parking space expansion	10	Within 2016
3. Information system implementation	10	Within the First Quarter of 2016
4. New warehouse construction	150	Construction period is 24 months after fund raising and land acquisition
5. Working Capital	The remaining	

Green shoe option                      -- None --

### Type of Business and Nature of Operation

**WICE Logistics Public Company Limited** and its subsidiary are international logistics service and solution providers, including import and export by both sea freight (Full and Less Container Loading) and by air freight, custom clearance and land transportation which the company aims at fulfilling wide range of customer requirements. In addition, the company provides Door-to-Door delivery which is transferring goods from a factory to another and the exporter is responsible for freight charges. Also, the company provides Exwork delivery which is transferring goods from a factory to another and the importer is responsible for freight charges.

Normally, the company and its subsidiary arrange vessel/plane from suitable shipping lines/airlines to deliver goods for their customers as well as coordinate with oversea agents who are their business partners in various countries to ensure that merchandises are safely shipped and delivered in time.

The international logistics provided by the company and its subsidiary are as follows.

1. International Sea Freight: Huge amount of goods can be shipped at once with lower cost of delivery than using air freight. This kind of service is suitable for merchandises that do not require immediacy in delivery. The merchandises are put into containers that facilitate movement of those merchandises which mostly are electronic goods (finish goods), auto part, steel structure, construction materials and canned food. The primary market for sea freight is the USA and the secondary market includes Japan, Australia and China.

2. International Air Freight: Goods are shipped in short period of time with high flexibility in place and time. However, the cost of air freight is higher than that of sea freight and, mostly, goods delivered by air are in a small amount or high value and need special handling, for example, electronic parts. The primary market for air freight is Singapore, Hong Kong and China.

In addition, supplementary services are provided to add value to the primary services includes Door-to-Door delivery, hand carrier and counsel regarding logistics management.

3. Customs Broker and Land Transportation:

3.1 Customs Broker: The Company provides custom clearance service along with land transportation through EDI system with general standard. Currently, the company is preparing to achieve AEO (Authorized Economic Operator) standard which is an international accepted standard.

3.2 Land Transportation: The Company provides land transportation from seaports/airports to destination requested from customers, e.g. client's factories or warehouses, and vice versa. The customers who use this service also use international logistics by the company and its subsidiary. The company has a business unit located at Leam Chabang and its subsidiary also has a business unit located at Suvarnabhumi Airport.

## Revenue Structure

Revenues of the company and its subsidiary are as follows:

Revenue Structure	2012*		2013*		2014		Q1'2014		Q1'2015	
	MB	%	MB	%	MB	%	MB	%	MB	%
Revenues from Services										
1. Sea Freight	357.95	56.22	277.99	51.69	377.69	55.81	86.49	55.28	106.76	61.43
2. Air Freight	165.42	25.98	146.80	27.29	170.20	25.15	40.73	26.03	33.10	19.05
3. Customs Clearance and Land Transportation	107.05	16.82	104.01	19.34	122.31	18.07	27.71	17.71	31.92	18.37
<b>Total Revenues from Services</b>	<b>630.42</b>	<b>99.02</b>	<b>528.80</b>	<b>98.32</b>	<b>670.20</b>	<b>99.03</b>	<b>154.93</b>	<b>99.02</b>	<b>171.78</b>	<b>98.84</b>
Other Income**	6.22	0.98	9.03	1.68	6.57	0.97	1.53	0.98	2.02	1.16
<b>Total Revenues</b>	<b>636.64</b>	<b>100.00</b>	<b>537.84</b>	<b>100.00</b>	<b>676.77</b>	<b>100.00</b>	<b>156.46</b>	<b>100.00</b>	<b>173.80</b>	<b>100.00</b>

Remark: \* Performa Financial Statements for the year ended 2012 and 2013 are created by the managements and reported by certified public accountant (CPA)

\*\* Other income includes gain on exchange rate, interest income and gain (loss) on selling investment.

## Target customers

WICE primary customers range from medium to large business, divided by service volume and registered capital as well as profitability. The company and its subsidiary's customers are in various industries namely electronics goods, auto parts, chemical products, garment and plastic. The targeted customers can be categorized as follows:

(1) Importers and exporters which are major customers of the company and its subsidiary. In 2014, these customers generated 89% of total service income.

(2) International logistics providers (Co-Loader) who are in the same business as the company which is international logistics by sea and sometimes their volume of shipment are not sufficient to fill the whole container. As a result, they use both full and less container loading (FCL and LCL) services of the company. In 2014, these customers generated 11% of total service income.

Moreover, the company and its subsidiary provide land transportation using trucks and trailers. This kind of service is an additional service for international logistics only. The company and its subsidiary will provide suitable vehicles to each product and then transfer the goods from their factories to a seaport for exporting or from the seaport to customer's factories for importing. That is a value-added service to the company and facilitates its customers so that the company and its subsidiary can provide the complete range of services. The revenue broken down by service is shown below.

Groups of Customer	2012		2013		2014		Q1'2015	
	MB	%	MB	%	MB	%	MB	%
With Full Range of Services*	426.43	67.64	362.20	68.49	481.30	71.81	115.30	67.12
With Other Services**								
1. With Only Freight Service	168.90	26.79	123.29	23.32	146.62	21.88	37.71	21.95
2. With Only Custom & Transportation	35.09	5.57	43.31	8.19	42.28	6.31	18.77	10.93
<b>Total Revenues from Services</b>	<b>630.42</b>	<b>100.00</b>	<b>528.80</b>	<b>100.00</b>	<b>670.20</b>	<b>100.00</b>	<b>171.78</b>	<b>100.00</b>

**Remark:** \* Customers with Full Range of Services are customers that require freight service together with other services including Door-to-Door / Door-to-Port / Port-to-Door delivery.

\*\* Customers with Other Services are customers that require particular service e.g. Freight or Custom & Transportation

The company and its subsidiary provide services to customer in various industries and are not rely on any particular customers. Top 10 customers of the company in 2014 and Q1'2015 are accounted for 34.35% and 21.68% of the total revenues, respectively. Moreover, there is no customer generating more than 10% of the total revenues.

#### Distribution Channels

WICE has offered its logistics services through two major channels.

1. Direct sale is accounted for 80% of service income. Customers contact directly to sales team of the company and its subsidiary or contact through company's websites which are [www.wice.co.th](http://www.wice.co.th) and [www.sunexpress.co.th](http://www.sunexpress.co.th).

2. Oversea Agent is accounted for 20% of service income. Those oversea agents act as business partners and are responsible for handling all local transportations in their areas on behalf of the company and its subsidiary. Likewise, those agents always reference or assign customers to WICE for logistics service in Thailand.

Additionally, the company has joined several freight networks both international and domestic which are TIFFA, TAFA, Conqueror Freight Network, CGLN under WCA Family Network and Dalian JCTrans Logistic Network. Joining those networks is considered to be one of public relation activities to promote WICE to agents and targeted customers.

#### Sourced of Service

##### International Logistics

##### (1) Sourced of vessel/plane

Freight rate is the major cost of service of the company and its subsidiary, so they put their best effort to plan vessel/plane booking to minimize their total cost. Vessel bookings in Thai – the USA route are made in the form of service contracts which can be renewed annually. Minimum Quantity Commitment (MQC) is stated in the contract and that estimated from historical data and current trend of shipping volume. High volume of vessel booking enhances price negotiation and cost competitiveness of the company. However, the price stated in the contract is adjustable by giving notice for 30 days in advance by the shipping line. On the other hand, vessel bookings in other routes do not require any contracts. The company books vessel in advance by using historical volume data. In each year, the company and its subsidiary book vessel/plane from various freight forwarders, approximately 15 and 10 companies respectively.

#### Shipping lines / Airlines / Co-Loader Selection Policy

1. Those companies have services in routes and schedule that match customer requirements.
2. Those companies are trustworthy.
3. Those companies provide reasonable freight rate.
4. Those companies have tracking system for shipments.

#### (2) Oversea Agents

In the case that the company provides logistics in foreign countries, the company will coordinate with the oversea agents who are business partners in various countries in order to supervise the services as well as collect the service fees when the fees are to be collected at destination. Those agents are freight forwarders in foreign countries who are trustworthy and expert in the business. The group of company has oversea agent selection policy as follows.

Oversea agents are categorized into 3 groups.

1. Group of Companies which is Sun Express Group network consists of companies in 6 countries including Thai, Singapore, Hong Kong, the USA, Vietnam and Malaysia. Moreover, agency agreements are made among those companies.
2. Association, of which the company is a member, for example Conqueror Freight Network, CGLN under WCA Family Network and Dalian JCtrans Logistic Network. The members of those associations are mostly international logistics providers in various countries and each member will be advertised among the association members to enhance connections. Additionally, the companies that would like to join the network have to be proven their trustworthiness by the association.
3. Group of agents in various countries which is a network that has been working together with WICE for more than 10 years with agency agreements being made between them.

The company and its subsidiary primarily choose to work with group 1 and 2 due to their trustworthiness and responsibility. Furthermore, quickness in responding, ability to work effectively and cost are also taken to consideration for selecting those oversea agents.

#### Domestic Logistics

##### (1) Sourced of vehicles and maintenance

The major vehicle for land transportation is trucks and trailers which are purchased from manufacturer or trusted agents. The company maintains their vehicle in a good condition in order to comply with law and regulations. Also, first class insurance are applied and cover every vehicle and merchandise being transferred. Furthermore, operation and maintenance agreement is made between the company and Hino Motors Sales (Thailand) Co., Ltd. to take care of company's truck and trailers.

(2) Sourced of drivers and training

Criteria are as follows.

- Drivers have to have at least 2 year experience in truck and trailer driving.
- Drivers must have driving license for type 3 and 4 vehicle which is trailers.
- Drivers have to pass company's driving test.

When drivers are employed, they have to attend driving training before start working. Currently, the company and its subsidiary have 28 drivers (as at 31 March 2015).

(3) Sourced of fuel

At present, the company and its subsidiary use NGV gas for their trucks and trailers and make a payment for the gas using PTT Fleet Card by Kasikorn bank. The cards are granted to each vehicle indicating car registration number to pay for fuel. Credit line is given to each card which the drivers need to indicate password when use. Generally, the company and its subsidiary compute and monitor fuel consumption rate to control fuel used in transportation.

(4) Outsourcing land transportation

Normally, the company operates land transportation by itself. From time to time, when the company lacks of trucks and trailers to serve its customers, the company has to outsource land transportation to other companies. However, the company sets criteria for choosing the domestic transporters as follows; they have to operate in form of company; their major business are transportation; their insure policy is at least Baht 1,500,000 covering cars and merchandises; and their abilities to provide the service that match the customer requirements.

Market Competition

Even though logistics market is enormous, fierce competition can be found in the industry. That is because each operator has different expertise in different routes, types of goods delivered, amount of time used in delivery, response rates, networks, flexibility as well as price and customer requirements. International logistics providers can be divided into 2 groups which are 1) multinational corporation and joint venture which have most of the market share due to their size and connections and 2) Local Companies that have higher flexibility than the former one. The company is one of the leading local companies in international logistics business and its sales are ranked in top 10 local companies that are members of TIFFA as shown below.

Rank	TIFFA members	Revenue of 2012 (MB)	Revenue of 2013 (MB)
1	PROFREIGHT INTERNATIONAL CO.,LTD.	631.68	619.12
2	Leo Global Logistics Co.,Ltd.	584.77	614.67
3	Siam Kargo Logistics Co.,Ltd	629.12	589.76
4	UNITED MARINE LOGISTICS	424.36	564.65
5	V. Cargo Co.,Ltd.	438.31	508.14
6	ORIENT STAR INTERNATIONAL LOGISTICS CO.,LTD.	443.05	497.98

Rank	TIFFA members	Revenue of 2012 (MB)	Revenue of 2013 (MB)
7	Acutech Co.,Ltd.	271.63	459.21
8	CTI Logistics Co.,Ltd.	326.92	350.61
9	WICE Logistics Public Company Limited	439.25	348.99
10	WORLD UNITED LOGISTICS (THAILAND) CO.,LTD.	210.55	341.24

The above TIFFA members provide various forms of logistics. Some companies emphasis on inland transportation. Some companies offer both sea freight and air freight altogether and do not separate those services like WICE and its subsidiary.

At present, key competitors of the company and its subsidiary include 5 - 6 foreign freight forwarders which arrange service in Thai – the USA route with the same group of customer and type of merchandise as the company together with land transportation and warehousing. Nevertheless, the company believes that its flexibility and its full range of service increase its competitiveness in the market.

#### Competitive Advantages

1. The company experience in the international logistics industry for more than 20 years.
2. The company offers a wide range of services and one stop service to their customers including import, export, sea freight (full and less container loading), air freight and custom clearance.
3. Employees of the company are competent and expert in their responsible job.
4. The company is an expert in sea freight in Thai – the USA route for more than 20 years (Niche Market) and can arrange Door-to-Door service to every state in the USA, with both full and less container loading.
5. The company has a good relationship with shipping lines/airlines and oversea agents as well as has joined some logistics associations, both local and global, including TIFFA, TAFA, Conqueror Freight Network, CGLN under WCA Family Network and Dalian JCTrans Logistic Network.
6. The company is one of the members in Sun Express Group network which is an expert in air freight with certain customer base and high gross margin. Moreover, there are agency agreements made between members.
7. The company uses information technology system to facilitate workflow.
8. The company has an ability to manage costs that enhances its competitive advantage.

#### Environmental Impacts

Currently, the company does not have any issues regarding environmental impacts and any records for not complying with law and regulations. However, land transportation might have some air pollutions arisen from trucks and trailers gas emission. The company and its subsidiary concern about this issue so that they train their drivers to perform engine inspection and maintenance regularly to minimize an impact to the environment.

## Summary of Material Contracts

### 1. Contract with shipping line

The company made an agreement with shipping lines which can be summarized as follows.

1. The major route is Thai – the USA route.
2. The carrier will provide vessel space sufficient to carry the Minimum Quantity Commitment (MQC) indicated in the agreement.
3. The company will pay freight rate as specified in the agreement.
4. The agreement valid for 1 year and can be renewed annually.
5. The carrier is responsible for merchandise specified in the Bill of Lading only.

In addition, one of the carriers indicates that if the company fails to tender the Minimum Quantity Commitment (MQC) specified in the agreement, the company has to pay deficit charges at the rate of U.S. \$250 per FEU (Forty Foot Equipment Unit or 40 feet container). The company estimates the MQC from the historical data together with its current trend before signing the agreement to ensure that the company's sales will be in line with the amount of freight booked. In case that the vessels are fully booked, the carrier will reduce the MQC by the quantity of goods not shipped by the carrier. However, the company has never been fined in that case.

### 2. Contract with overseas agent

Contract with Sun Express Group network can be summarized as follows.

1. The purpose of the agreement is to jointly develop the freight forwarding business as well as exchange information in the respective areas regarding rates, competition, sales, operations, business developments and introduce to potential and existing business.
2. Both parties will provide each other with its network of own.
3. Both parties appoint each other as non-exclusive agent in each other's territory.
4. Both parties will provide each other with its best possible net rates for transportation and related services.
5. Each party agrees not to compete against existing business of the other party without a written consent.
6. Both parties will support each other in sales, supervision and operations of surface and air freight and sea freight forwarding services as well as proper maintenance of business relation with customers, carriers, governmental, public authorities and etc.
7. Both parties will provide all necessary services related to import, export, shipments, such as customs formalities, discharge, storage, on-carriage deliver, transit handling, re-forwarding to other destinations, collection of freight charges and etc.
8. The receiving party has to examine for damages or losses. In case of damage or loss, the party has to hold the carriers responsible in writing and shall inform the sending party by fax or e-mail without delay and seek for further instructions.
9. Both parties agree to pay service fees as indicated in the agreement.
10. Either party may terminate the agreement upon 90 days written notice to the other party.
11. If one of the parties breaches any contractual obligations, the other party is entitled to terminate the contract without further notice.



Contract with the other overseas agents can be summarized as follows.

1. The company and its agents will promote and advertise each other's business to and from both countries and the rest of the world.
2. The company and its agents shall coordinate to provide services to each other.
3. The company and its agents will pay freight rates as indicated in terms and conditions agreed in the contract.
4. The overseas agents will not let go of the goods or make a delivery unless the payment is made by the receiving party.
5. In case of inability to deliver, deny of shipments and shipment damage, the overseas agent shall inform the sending party without delay to seek for further instructions.
6. The contract will continue to be in force indefinitely until terminated by either party giving written notice to the other.
7. The contract will be terminated immediately if any parties breach any agreements.

#### Feasibility Study

- None –

#### Technical and Management Assistance

- None –

#### Future Projects

1. Trucks and Trailers acquisition

The company plans to extend land transportation by trucks and trailers to facilitate clients that use international logistics of the company and its subsidiary that need to deliver their merchandises from factories to seaports/airports and vice versa. As a result, the company plans to lease 20 trucks and 33 trailers which is equivalent to around Baht 80 million.

2. New warehouse construction

The company plans to build a new warehouse in order to extend its service from international logistics to warehousing. That makes the company be truly full range service provider in logistics business. The company plans to purchase land and construct a 9000 square meter warehouse for customers to rent. The expected capital used in this project is approximately Baht 150 million. The company is searching for a suitable site to build the warehouse which its construction period is around 24 months after land acquisition and fundraising.

3. Trucks and trailers parking area expansion

The company plans to expand parking area for trucks and trailers for 4,000 square meters nearby Leam Chabang business unit in order to accommodate increasing trucks and trailers. The expected capital used in this project is approximately Baht 10 million and the company plans to use the land next to the existing parking area in Leam Chabang for the project. The construction period of this project is around 12 months after fundraising.

#### 4. Information system implementation

The company is implementing an information system by outsourcing external system developer. The implementation period consists of two phases. The first phase is to develop internal system with the intention to increase data integration and reduce work redundancy and this phase is expected to finish within the beginning of 2016. The second phase is to develop online system which allows users to work online and expected to start around April 2016. The total capital for this project is approximately Baht 10 million.

#### Related Parties Transactions

##### 1. Mrs. Araya Kongsoonthorn and Mr. Chudet Kongsoonthorn

Relationship: directors and shareholders

1.1 Transaction: Rental fee (head office) - rental period is 20 years since 1 July 2014 – 30 June 2034. Rental fees are as follows:

Year 1-2	monthly fee	92,674	Baht
Year 3-5	monthly fee	101,941	Baht
Year 6-8	monthly fee	112,135	Baht
Year 9-11	monthly fee	123,349	Baht
Year 12-14	monthly fee	135,684	Baht
Year 15-17	monthly fee	149,252	Baht
Year 18-20	monthly fee	164,177	Baht
Total rental fee		30,539,586	Baht
Amount of transaction in 2014:		1,216,596	Baht

Pricing policy: according to the contract

Necessity and reason: The Audit Committee opined that the rental fee is in a market price range.

1.2 Transaction: Rental fee for land and 2 units of 3-story commercial building (Laem Chabang Office) for Lam Chabang service office. Rental period is from 1 August 2014 – 1 August 2017. Rental fee is 31,000 Baht per month. The rental fee was appraised by Agency for Real Estate Affairs Company limited - an independent appraiser in an approval list of SEC.

Amount of transaction in 2014:	400,000 Baht
Amount of transaction in 3 month 2015:	93,000 Baht

Pricing policy: appraised by an independent appraiser

Necessity and reason: The Audit Committee opined that the rental fee is reasonable as it is a fair price and appraised by an independent appraiser.

- 1.3 Transaction: Rental fee (Lam Chabang – courtyard) from body of persons V Land for 6 Rai and 70 Square Wa of land (1 square wa equals to 4 square meters and 1 Rai equals to 400 square wa). The title deed number of the land is 69738 and it is situated at Nong Kham Subdistrict, Sri Racha District, Chonburi Province. The rental period is 1 January 2014 – 30 September 2014 at a rate of 50,000 Baht per month. The land is used for The Company's trucks parking lot.

Amount of transaction in 2014: 450,000 Baht

Pricing policy: according to the contract

Necessity and reason: The Company rented aforementioned land as trucks parking lot and The Company has bought the land from the owner on 26 September 2014.

- 1.4 Transaction: Acquisition land (Lam Chabang – courtyard) from The Company's director (body of persons V Land). The title deed number of the land is 69738 and it is situated at Nong Kham Subdistrict, Sri Racha District, Chonburi Province. The area of the land is 6 Rai and 70 Square Wa of land (1 square wa equals to 4 square meters and 1 Rai equals to 400 square wa). The transaction was completed on 26 September 2014 with the price of 23.80 million Baht. The price was appraised by an independent appraiser for public purpose. The appraiser was Agency for Real Estate Affairs Company limited - an independent appraiser who is in an approval list of SEC.

Amount of transaction in 2014: 23,800,000 Baht

Pricing policy: appraised by an independent appraiser

Necessity and reason: The Audit Committee opined that the acquisition price is reasonable as it is a fair price and appraised by an independent appraiser.

## 2. Sun Express Logistics Pte. Ltd.

Relationship: Has common shareholders which are (1) Mr. Lim Meng Pui (2) Mr. Lien Hock Loong (3) Ms. Choo Yie Ngoh totally hold shares in WICE 10.38% of paid-up capital. These 3 shareholders also hold shares in Sun Express Logistics Pte. Ltd. with the total of 99.99%.

- 2.1 Transaction: Services Revenue/Account Receivable – The Company is one of the foreign agents of Sun Express Logistics Pte. Ltd. The Company contact, coordinate and provide service in Thailand which will charge service fee between each other and will account as services revenue. The Company has Agency Agreement with Sun Express Logistics Pte. Ltd.

Amount of transaction in 2014: 14,954,583 Baht

Amount of transaction in 3 month 2015: 2,888,765 Baht

Outstanding amount as of 2014: 1,778,440 Baht

Outstanding amount as of 31 March 2015: 1,013,750 Baht

Pricing policy: market price

Necessity and reason: The Audit Committee opined that the transaction is reasonable as it is a normal business operation and the pricing is a market price.

- 2.2 Transaction: Cost of Services/Account Payable –Sun Express Logistics Pte. Ltd. is one of The Company subsidiary's foreign agents. Sun Express Logistics Pte. Ltd. contact, coordinate and provide service in its designate country which will charge service fee between each other and will account as cost of services. The Company has Agency Agreement with Sun Express Logistics Pte. Ltd.

Amount of transaction in 2014: 19,279,482 Baht

Amount of transaction in 3 month 2015: 4,518,928 Baht

Outstanding amount as of 2014: 1,149,404 Baht

Outstanding amount as of 31 March 2015: 1,448,244 Baht

Pricing policy: market price

Necessity and reason: The Audit Committee opined that the transaction is reasonable as it is a normal business operation and the pricing is a market price.

3. Mrs. Araya Kongsoonthorn

Relationship: director and major shareholder

Transaction: guarantor for The Company's debts

Total credit limit in 2014: 41,396,000 Baht

Total credit limit in 3 month 2015: 61,396,000 Baht

Total credit outstanding at the end of 2014: 25,719,281 Baht

Total credit outstanding as of 31 March 2015: 36,630,381 Baht

Pricing policy: -

Necessity and reason: The Audit Committee opined that the guarantee is reasonable and The Company and its subsidiary have advantages because the guarantor did not receive any compensation in return.

Commitments

- None -

## Risk factors

### 1. Business risk

#### (1) Volatility in freight rates

Freight rate is the main operating cost in logistic services. Hence volatility in freight rates, which fluctuate according to demand and supply, will affect operating cost and gross profit margin of The Company. The Company acknowledges the risk from volatility in freight rates and plans freights according to demand of its customers. The Company book freight in a large volume to increase negotiation power and sign contract. The Company and its subsidiary closely monitor freight rate to anticipate the rate situation and trend. Thus, The Company and subsidiary are able to determine services fees that able to withstand certain fluctuation in freight rate.

The Company has a contract with a certain shipping line (Thai – USA route) that The Company will have to pay a deficit charges of 250 US Dollar per FEU (Forty Foot Equipment Unit) for the freight volume which is less than minimum freight volume. Nonetheless, The Company has estimated trend and amount of works before signing the contract. The Company has never paid the deficit charges since signing the contract.

#### (2) Damages of goods

As The Company offers complete logistic services, The Company has to cover expenses of damage goods if the goods are in The Company responsibility during shipment. Hence, The Company emphasizes on selecting shipping line/ airline and outsources quality service providers to reduce risk of damaging goods. The Company also selects insurance companies that are well known and have high standards. The Company and subsidiary have never paid compensation for damage goods that significantly affect operating performance.

#### (3) Business competition

Logistics services providers in Thailand can be categorized into 5 groups: land transportation, sea freight, air freight, Custom and transportation broker, and warehouse. Total competitors are more than 10,000 companies and more than 80% are small and medium enterprises (SMEs). New competitors can enter into this business quite easily because the business rely on relationship with shipping line/ airline and does not require high capital investment. However, this business is also depends on expertise in routes and products, flexibility in finding routes according to customers' budget, responsiveness to customers demand, quality and coverage of network of services, and flexibility in price that match customers demand. The Company has extensive experience and expertise in the business for 20 years and provides complete logistics services and logistics management consultant that able to reduce costs of its customers.

#### (4) Reliance on Thailand and USA route

The Company has expertise in sea shipping for Thailand – USA route for 20 years. The Company can collect and deliver from every state in the United States of America in the forms of Door to Door, Full Container Load (FCL), and Less Than Container Load (LCL). The Company has revenue from sea freight route between Thailand and USA accountable for 34% of total sea freight revenue (average from 2012-2014 and 3 month of 2015). Consequently, this part of revenue will vary according to the USA economy.

However, the Company provides logistics services in many routes. The Company has routing diversification policy to reduce risk from adverse economic situation in each region. Additionally, The Company has high volume with USA route but the route yield lower gross profit margin than shorter route like Asia-Pacific route. The Company believes that securing long distance routes will help The Company maintain a competitive edge while freight rate has tendency to decrease. While Short routes may have higher gross profit but the competitions are higher. The Company policy is focus on both increasing revenue and maintaining profitability.

(5) Reliance on individual expertise

The Company business requires expertise and experience of management team and personal. The Company acknowledges the importance of human resources and has policy to develop knowledge, skill, and efficiency of employees. The Company also assigns employees to work as a buddy to be able to work instead of each other to reduce reliance on any particular employee. The Company also evaluates employee performance to grant proper benefits to employees. Employees work with The Company and subsidiary averagely 5 years, while management averagely works for The Company and subsidiary more than 20 years.

(6) Foreign exchange volatility

As The Company provides global logistics services, The Company may face foreign exchange risk from revenues and costs in foreign currencies. The Company has income in foreign currency around 25% of services revenue (average from 2012-2014 and 3 month of 2015). Thus, foreign exchange volatility can affect performance and financial position of The Company.

Costs in foreign currencies come from trade partners who are foreign logistics services providers. These services providers act as agents for The Company to provide services to foreign customers and on the other hand, The Company also receives revenues from these companies. Receiving both costs and revenues in foreign currencies results in a partially Natural Hedge. The Company monitors situation and movement of foreign currencies closely to evaluate and act to prevent risk from foreign currencies volatility. The effect of foreign exchange volatility never affects The Company overall performance significantly.

Lawsuit

As of 31 December 2014, The Company does not have lawsuit which will cost more than 5% of shareholders' equity and do not have any lawsuits that potentially cause significant adverse effect to business operation.

In the first quarter of 2015, one company has filed a lawsuit against The Company's subsidiary to reimburse from transporting goods from foreign country. The aforementioned company has requested for compensation of 3.1 million Baht with 7.5% interest per year. However, the subsidiary has made a counter claim against the aforesaid company to pay an advance payment to be a logistics agent for 0.2 million Baht with 7.5% yearly interest. The case is in consideration of The Central Intellectual Property and International Trade Court. The management of The Company and subsidiary believes that the result of the case will not significantly affect The Company performance and financial position.

The Company has appointed a legal advisor regarding this case which the legal advisor opined that it is likely the civil court will dismiss the subsidiary from the obligation because the subsidiary has no responsibility regarding the transportation of the dispute goods. The subsidiary is merely a freight forwarding agent and performed its duty thoroughly and completely.

#### Number of employees

As of 31 March 2015, The Company and subsidiary has 206 employees.

#### Company background

WICE Logistics Public Company Limited ("The Company" or "WICE") abbreviated from Worldwide Industrial Commercial Enterprise) (formerly Wice Freight Services (Thailand) Company Limited). The Company has started providing logistics services since 1993. WICE has expertise in sea freight and the main service route is Thailand – USA.

The Company has restructured its group structure in November 2013 by amalgamation of Wice Freight Services (Thailand) Company Limited, Prompt Freight and Logistics Company Limited, and Wise Logistic Company Limited but still using the same name which is Wice Freight Services (Thailand) Company Limited. This new company had 15 million Baht registered and paid-up capital and its head office is located at Lam Chabang Pier. In December 2013, The Company increased registered and paid-up capital to 180 million Baht and acquired 99.99% of Sun Express (Thailand) Company Limited shares. The Company has registered as a Public Company and the name has changed to WICE Logistics Public Company Limited on 3 April 2015 with 300 million Baht registered capital (225 million Baht paid-up capital).

Sun Express (Thailand) Company Limited ("SUN") is the subsidiary of The Company. SUN is established on 21 October 2002 with 3 million Baht registered capital. SUN founders were Thai investors 60% and Singapore and Hong Kong investors 40%. SUN is also a logistics services provider but main services are air freight and custom clearance service (has a branch at Suvarnabhumi International Airport). Currently, Sun has registered and paid-up capital of 54 million Baht and WICE holds 99.99% of registered capital of SUN.

#### Important Changes and Developments

- |                   |   |
|-------------------|---|
| 18 May 1993       | ■ WICE Logistics Public Company Limited (formerly Wice Freight Services (Thailand) Company Limited) started providing sea freight services and the main service route is Thailand – USA. The Company was found by 70% capital from Thai investors (Mrs. Araya Kongsoonthorn 30% and others 40%) and 30% capital from WICE Group, with registered capital of 1 million Baht. <u>WICE Group is a well-known international freight service provider which situated in Singapore, Hong Kong, and China.</u> |
| 12 September 1996 | ■ Increased registered capital to 3 million Baht.   |
| 2000              | ■ Expanded scope of services to provide Customs Broker Services and joined Thai International Freight Forwarders Association or TIFFA   |

21 October 2002	<ul style="list-style-type: none"> <li>■ Mrs. Araya Kongsoonthorn group established Sun Express (Thailand) Company Limited to provide international logistics services with 3 million Baht registered capital. SUN founders were Mrs. Araya Kongsoonthorn group, holding 60% of total shares, and Singapore and Hong Kong investors, holding 40% of total shares.</li> </ul>
14 November 2002	<ul style="list-style-type: none"> <li>■ SUN increased registered capital to 4 million Baht to use as working capital.</li> </ul>
2004	<ul style="list-style-type: none"> <li>■ The Company's shareholders are 100% Thai as major shareholders bought shares from Hong Kong partner in 2002 and from Singapore partner in 2004.</li> <li>■ Joined Thai Airfreight Forwarders Association or TAFA</li> </ul>
21 October 2005	<ul style="list-style-type: none"> <li>■ Increased registered capital to 5 million Baht to use as working capital and expand services to provide Cargo Consolidation service.</li> </ul>
15 November 2005	<ul style="list-style-type: none"> <li>■ SUN increased registered capital to 5 million Baht to use as working capital.</li> </ul>
2006	<ul style="list-style-type: none"> <li>■ Moved head office to WICE Place 88/8 Nonsee Road, Chong-Nonsee, Yannawa, Bangkok. The head office was built from company earnings.</li> <li>■ Mrs. Araya Kongsoonthorn group who is a major shareholder established Prompt Freight and Logistics Company Limited with 5 million Baht registered capital to provide Customs Broker Services and logistics services. Prompt Freight and Logistics Company Limited was situated at Suvarnabhumi International Airport.</li> </ul>
2007	<ul style="list-style-type: none"> <li>■ Received ISO 9001:2000 from TUV – Nord</li> </ul>
2008	<ul style="list-style-type: none"> <li>■ Expanded services to provide transportation services to Japan, Australia, and Asian Countries.</li> </ul>
9 January 2008	<ul style="list-style-type: none"> <li>■ Mrs. Araya Kongsoonthorn group who is a major shareholder established Wise Logistic Company Limited with 5 million Baht registered capital to provide Customs Broker Services and logistics services. Wise Logistic Company Limited was situated at Lam Chabang pier.</li> </ul>
2010	<ul style="list-style-type: none"> <li>■ Received ISO 9001:2008 from TUV – Nord and expanded services to provide Door to Door / Ex Work services to serve new customers</li> </ul>
2011	<ul style="list-style-type: none"> <li>■ The Company expanded services to provide cargo consolidation services to Japan, Singapore, and Hong Kong from existing routes which are USA and Pakistan. The Company also joined Conqueror Freight Network.</li> <li>■ Received honorable mention for logistics business group in 3<sup>rd</sup> SMEs National Award (Year 2010) from The Office of SMEs Promotion (OSMEP).</li> </ul>
2012	<ul style="list-style-type: none"> <li>■ Expanded services to provide land transportation services via trucks.</li> <li>■ Received 1<sup>st</sup> prize for logistics business group in 4<sup>th</sup> SMEs National Award (Year 2011) from The Office of SMEs Promotion (OSMEP).</li> </ul>
2013	<ul style="list-style-type: none"> <li>■ Received 1<sup>st</sup> prize for logistics business group in 5<sup>th</sup> SMEs National Award (Year 2012) from The Office of SMEs Promotion (OSMEP).</li> </ul>



- 29 November 2013 ■ The Company has restructured its group structure by amalgamation of Wice Freight Services (Thailand) Company Limited, Prompt Freight and Logistics Company Limited, and Wise Logistic Company Limited but still using the same name which is Wice Freight Services (Thailand) Company Limited. This new company had 15 million Baht registered and paid-up capital with par value of 10 Baht and 1.5 million shares outstanding.
- 17 December 2013 ■ SUN increased registered capital to 54 million Baht for company restructuring and working capital.
- 25 December 2013 ■ The Company increased the registered capital to 180 million Baht – 18 million shares outstanding with the par value of 10 Baht – for company restructuring and working capital. The Company used newly issue shares to buy shares from existing shareholders of SUN at book value. Currently The Company is a majority shareholder of SUN with 99.99% holding.
- 3 April 2015 ■ The Company has registered as a Public Company and the name has changed to WICE Logistics Public Company Limited. The par value was changed from 10 Baht to 0.50 Baht per share.

Investment in Subsidiary / Associated / Related Companies

As of March 31, 2015

Unit: Million Baht

Company's Name	Type of Business	Paid-up Capital	% of shareholding	Investment Cost
Sun Express (Thailand) Co., Ltd.	International Freight Forwarder	54.00	99.99	53.99

Change in Capital in the last 3 years

Unit: Million Baht

Date	Capital increase (decrease)	After the increase (decrease)	Note / Fund raising objective
December 25, 2013	165.00	180.00	- Offering for capital restructuring of the company and utilizing as working capital and offering to the existing shareholders of SUN for shares payment.
May 28, 2014	28.00	208.00	- Offering to the existing shareholders and utilizing as working capital.
March 17, 2015	17.00	225.00	- Offering to the existing shareholders and utilizing as working capital.

Accounting Period

January 1- December 31

Auditor

Ms. Pimjai Manitkajohnkit, the Certified Public Accountant (Thailand) No. 4521,  
EY Office Limited

Registrar

Thailand Securities Depository Company Limited (TSD)

Financial Advisor / Lead Underwriter

Phillip Securities (Thailand) Public Company Limited

Dividend Policy

The Company has the policy of paying dividend to shareholders at least 50% of its net profit subject to all taxes and legal reserve as for the Company's financial statement. However, the Company may pay the dividend differ from the above rate provided that depending on investment plan, liquidity, any necessity and appropriate factors in the future. The Board of Directors' resolution on a dividend payment requires approval from the shareholder meeting, unless it is an interim dividend payment. The Board of Directors has an authority to approve an interim dividend payment and report to the following shareholder meeting for acknowledgement.

The Company's subsidiary and / or associated companies has policy of paying dividend to the Company 100% of its net profit subject to all taxes and legal reserve as for the Company's financial statement. However, subsidiary and/or associated companies may pay the dividend less than the above rate provided that there is any necessity to use the retained earnings for business expansion.

BOI Certificates

- None -

No. of Shareholders

As of July 23, 2015

Types of shareholders	No. of shareholders	No. of shares	% of paid-up capital
1. Strategic shareholders			
1.1 Directors, manager, and executive management including related persons and associated persons	7	389,042,060	64.84
1.2 Shareholders who have a holding of above 5%	-	-	-
1.3 Controlling Shareholders	-	-	-
2. Non-Strategic shareholders hold $\geq 1$ trading unit	3,020	210,957,940	35.16
3. Non-Strategic shareholders hold $\geq 1$ trading unit	-	-	-
<b>Total Shareholders</b>	<b>3,027</b>	<b>600,000,000</b>	<b>100.00</b>

## Major Shareholders

As of July 23, 2015

Name	After IPO		Before IPO	
	No. of shares (Share)	%	No. of shares (Share)	%
1. Mrs. Araya Kongsoonthorn Group*				
1.1 Mrs. Araya Kongsoonthorn	153,939,380	25.66	153,939,380	34.21
1.2 Mr. Chudet Kongsoonthorn	108,939,320	18.16	108,939,320	24.21
1.3 Ms. Thitimar Tantikulsuntorn	66,857,280	11.14	66,857,280	14.86
1.4 Ms. Pompaioa Tantikulsuntorn	46,298,200	7.72	46,298,200	10.29
1.5 Mr. Ram Tantikulsuntorn	11,657,880	2.03	11,657,880	2.59
<b>Total of Mrs. Araya Kongsoonthorn's</b>	<b>387,692,060</b>	<b>64.70</b>	<b>387,692,060</b>	<b>86.15</b>
2. Mr. Fung Tai Wai	15,577,060	2.60	15,577,060	3.46
3. Mr. Lim Meng Pui Group**				
3.1 Mr. Lim Meng Pui	15,576,960	2.60	15,576,960	3.46
3.2 Mr. Lien Hock Loong	15,576,960	2.60	15,576,960	3.46
3.3 Ms. Choo Yie Ngoh	15,576,960	2.60	15,576,960	3.46
<b>Total of Mr. Lim Meng Pui Group</b>	<b>46,730,880</b>	<b>7.80</b>	<b>46,730,880</b>	<b>10.38</b>
4. Mrs. Kesorn Wongwairoj	2,680,000	0.45	-	-
5. Mrs. Sumaree Saiaroon	2,000,000	0.33	-	-
Mrs. Zhang Cui	2,000,000	0.33	-	-
6. Mr. Kasam Chariyawatwong	1,800,000	0.30	-	-
7. Mr. Pamorn Polthep	1,793,000	0.30	-	-
8. Ms. Piyanun Sombatvichathron	1,700,000	0.28	-	-
9. Ms. Chorpaka Temfom	1,600,000	0.27	-	-
10. Mr. Pracha Dumrongsuthipong	1,500,000	0.25	-	-
Mr. Pichit Chinwithhayakul	1,500,000	0.25	-	-
<b>Total</b>	<b>467,073,000</b>	<b>77.85</b>	<b>450,000,000</b>	<b>100.00</b>

**Note:** \*Mrs Araya Kongsoonthorns Group no. 1.3, 1.4, 1.5 are not under section 258 of the Securities Exchange or the Concert Party with no. 1.1, 1.2

\*\*Total of Mr. Lim Meng Pui Group are shareholders of Sun Express Logistics Pte Ltd., incorporated in Singapore. None of the family members are under section 258 of the Securities Exchange or the Concert Party.

## Foreign Shareholders

As of July 23, 2015, the Company has 15 foreign shareholders, holding 65,319,940 shares, representing 10.89% of paid-up capital.

**Note:** Restriction on foreign shareholding is set forth in Article 13 of the Company's Articles of Association stating "The Company's shares can be freely transferable, unless any such transfer of shares shall cause the aggregate shareholding by foreign shareholders to exceed forty-nine percent of the totals issued shares of the "Company".

### Board of Directors

As of March 31, 2015, The Company's Board of Directors consists of 8 members as the following

Name	Position	Start Date
1. Mr. Ekaphol Pongstabhon	Chairman of the Board / Independent Director	July 31, 2014
2. Mrs. Araya Kongsoonthorn	Director / Chief Executive Officer	April 17, 1993
3. Mr. Chudet Kongsoonthorn	Director / Managing Director, Business Development Department	August 16, 2006
4. Ms. Thitimar Tantikulsunthorn	Director / Managing Director, Operations and Support Department	November 1, 1994
5. Ms. Pornpairoa Tantikulsunthorn	Director	February 27, 2014
6. Associate Professor Ruth Banomyong (PhD)	Director / Chairman of the Audit Committee / Independent Director	July 31, 2014
7. Mr. Wichai Xiao	Director / Audit Committee / Independent Director	July 31, 2014
8. Mr. Charoenkiat Huthananuntha	Director / Audit Committee / Independent Director	July 31, 2014

Note: Secretary of the Company: Ms. Bussarin Tauncha-aim

Directors who have the authority to sign on behalf of the Company are Mrs. Araya Kongsoonthorn or Mr. Chudet Kongsoonthorn or Ms. Thitimar Tantikulsunthorn or Ms. Pornpairoa Tantikulsunthorn, two of the four sign together with Company's stamp.

### Audit Committee

The Extraordinary General Shareholders' Meeting No. 4/2014 held on July 31, 2014 and the Extraordinary General Shareholders' Meeting of the Public Company No. 1/2015 held on April 1, 2015 passed a resolution to appoint 3 audit committees, consisting of:

Name	Position
1. Associate Professor Ruth Babomyong PhD	Chairman of the Audit Committee
2. Mr. Wichai Xiao*	Audit Committee
3. Mr. Charoenkiat Huthananuntha	Audit Committee

Note: \* The Audit Committee who has knowledge on accounting and financial statements

Ms. Woraluck Limsookprasert acts as Secretary of Audit Committee.

### Scope of duties and responsibilities

1. Review the Company's financial reports to ensure accuracy and adequate disclosures.
2. Review the company's internal control system and internal audit system to ensure suitability and efficiency; and determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.

3. Review and ensure the Company's compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand ("SET") and the laws relating to the Company's business.
4. Review and discuss with management regarding the significant risks of the company and measurement that management has taken to monitor and control such risks.
5. Consider and nominate an independent person as the Company's auditor and propose remuneration for such person, as well as attend a non-management meeting with the auditor at least once a year.
6. Examine connected transactions or transactions that may lead to a conflict of interest, and disclosure of those transactions to ensure that they are accuracy; in compliance with the laws and the regulations of the SET; reasonable and for the optimum benefit of the Company.
7. Prepare an audit committee's report and publish in the Company's annual report. The audit committee report must be signed by the chairman of audit committee and contain of at least of the following information:
  - a) Opinion on the accuracy, completeness, and creditability of the Company's financial report
  - b) Opinion on the adequacy of the Company's internal control system
  - c) Opinion on the compliance with the law on securities and exchange, the regulations of the SET, or the laws relating to the Company's business
  - d) Opinion on the suitability of an auditor
  - e) Opinion on transactions that may lead to conflict of interests
  - f) Number of the Audit Committee's meetings and meeting attendance by each committee member
  - g) Opinions or overview comments received by the Audit Committee from its duty in accordance with the charter
  - h) Any other issues which should be disclosed to the shareholders and general investors within the scope of duties and responsibilities designated by the Board of Directors
8. Perform any other tasks assigned by the company's board of directors within the scope of duties and responsibilities of the Audit Committee.
9. In officiating the Audit Committee (AC) duties and responsibilities, if the AC notices or suspects of, or for any of the following that could significantly impact the financial position and operation of the Company, the AC will inform the Board of Directors to rectify issue(s) within the timeframe the AC deems appropriate:
  - a) Transactions that may cause conflicts of interest
  - b) Fraud or indiscretion or a significant deficiency in internal control system.

- c) Violation of the law on securities and exchange, or regulations of the Stock Exchange of Thailand ("SET"), or the laws relating to the Company's business, if the Board or management fails to make a rectification within a timeframe dictate in paragraph one to the SEC or the SET.

10. The Audit Committee is entitled to seek advice from an external advisor or expert from time to time as deemed necessary at the cost of the Company.

The audit Committee holds direct responsibility to the Board of Directors for the Scope of duties and responsibilities discussed above and the Board is also responsible to the public regarding the Company operation.

Terms for holding office

- |                                    |         |
|------------------------------------|---------|
| 1. Chairman of the Audit Committee | 3 years |
| 2. Audit Committee                 | 3 years |

Listing Conditions

- None –

Silent Period

Shareholders, who own common shares before the company's public offering, holding 330,000,000 shares or 55% of paid up capital after the initial public offering certify to the Stock Exchange of Thailand that their shares will not be sold for the period of one year from the first trading date. Upon the expiry of 6 months period of the prescribed time, those shareholders will be allowed to sell 25% of the total amount of shares prohibited for sale and the rest after one year.

Relaxation

- None -

Others

Shareholders' Agreement

Prior to listing, the existing shareholders agreed to deposit and not to sell their non-silent shares of 20% of paid-up capital after IPO or 120,000,000 shares (such shares were additional to 330,000,000 shares placed in silent-period condition) with the TSD and Lock up for the period 12 months. Upon the expiry of 6-month period, those shareholders were allowed to sell 25% of their shares and the rest 75% were allowed to be sold after a period of one year.

## Statistical Summary

### WICE Logistics Public Company Limited and its Subsidiary

Year	Unit: Thousand Baht		Unit : Baht / Share			
	Service Income	Net Profit (Loss) of the Company	Net Profit (Loss) *	Dividend*	Book Value *	Pay-out Ratio (%)
2012 (Pro Forma Consolidated Statement) <sup>/1</sup>	630,417	14,573	0.49	-	3.67	-
2013 (Pro Forma Consolidated Statement) <sup>/1</sup>	528,801	42,338	1.17	3.37	0.61	238.66%
2014 (Audited)	670,203	62,442	0.16	0.07	0.67	44.69%
The three-month period ended of March 31, 2015 (Reviewed)	171,783	11,528	0.03	-	0.63	-

Note: \* Adjusted par value to be 0.50 Baht/share for comparable.

<sup>/1</sup> The pro forma financial information has been compiled by their management as if the Company held an investment in Sun Express (Thailand) Company Limited as its subsidiary at 60% of shareholding, since the date of establishment of Sun Express (Thailand) Company Limited as if the amalgamation had taken place on January 1, 2012.

### WICE Logistics Public Company Limited

Year	Unit: Thousand Baht		Unit : Baht / Share			
	Service Income	Net Profit (Loss)	Net Profit (Loss)*	Dividend*	Book Value *	Pay-out Ratio (%)
2014 (Audited)	450,598	31,940	0.08	0.07	0.57	87.36%
The three-month period ended of March 31, 2015 (Reviewed)	127,358	40,137	0.09	-	0.61	-

Note: The Company has been restructured by Amalgamation between Wice Freight Services (Thailand) Company Limited, Prompt Freight and Logistics Company Limited and Wise Logistic Company Limited to be a new company as at November 29, 2013. However, the pro forma consolidated statement for fiscal year 2012 and 2013 have been compiled by their management and reported by their auditor for the purpose of being included in a filing for initial public offering of WICE Logistics Public Company Limited's ordinary shares with the Securities and Exchange Commission of Thailand. Therefore, The Company's financial statements for fiscal year 2012 and 2013 have not been presented.

\* Adjusted par value to be 0.50 Baht/share for comparable.

WICE Logistics Public Company Limited and its Subsidiary  
Statements of Financial Position  
For fiscal year ended December 31

Statement of Financial Position (Unit: Thousand Baht)	Pro Forma Consolidated Statement <sup>/1</sup>		Audited	Reviewed
	2012	2013	2014	3-month period ended March 31, 2015
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	68,361	75,133	80,841	84,522
Current investments	62,047	50,130	41,140	26,379
Trade and other receivables	97,187	110,491	108,340	131,702
Other current assets	4,849	3,507	2,346	2,197
<b>Total current assets</b>	<b>232,445</b>	<b>239,261</b>	<b>232,668</b>	<b>244,800</b>
<b>Non-current assets</b>				
Property, plant and equipment – net	55,068	77,534	123,702	142,150
Other non-current assets	1,835	2,766	2,152	2,288
<b>Total non-current assets</b>	<b>56,903</b>	<b>80,300</b>	<b>125,854</b>	<b>144,438</b>
<b>Total assets</b>	<b>289,348</b>	<b>319,562</b>	<b>358,522</b>	<b>389,238</b>
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade and other payables	147,759	47,664	37,600	49,082
Current portion of liabilities under finance lease agreements	3,494	6,721	11,446	15,323
Income tax payable	31	8,533	4,633	6,422
Other current liabilities	7,011	20,483	8,422	8,530
<b>Total current liabilities</b>	<b>158,295</b>	<b>83,400</b>	<b>62,101</b>	<b>79,357</b>
<b>Non-current liabilities</b>				
Liabilities under finance lease agreements – net of current portion	7,766	12,450	12,249	18,786
Provision for long-term employee benefits	2,866	4,120	5,743	6,284
Other non-current liabilities	-	-	207	462
<b>Total non-current liabilities</b>	<b>10,632</b>	<b>16,570</b>	<b>18,199</b>	<b>25,532</b>
<b>Total liabilities</b>	<b>168,927</b>	<b>99,970</b>	<b>80,300</b>	<b>104,889</b>
<b>Shareholders' equity</b>				
Share Capital – Issued and paid-up	15,000	180,000	208,000	225,000
Retained earnings – Appropriated - statutory reserve	77	5,395	6,173	7,327
Retained earnings - Unappropriated	94,106	30,098	53,573	42,030
Other components of shareholders' equity	1,046	4,099	10,476	9,992



Statement of Financial Position (Unit: Thousand Baht)	Pro Forma Consolidated Statement <sup>/1</sup>		Audited	Reviewed
	2012	2013	2014	3-month period ended March 31, 2015
Non-controlling interests of the subsidiary <sup>/2</sup>	10,192	-	-	-
Total shareholders' equity	120,422	219,592	278,221	284,349
Total liabilities and shareholders' equity	289,348	319,562	358,522	389,238

**Note:** <sup>/1</sup> The pro forma financial information has been compiled by their management and reported by their auditor for the purpose of being included in a filing for initial public offering of WICE Logistics Public Company Limited's ordinary shares ("the Company") with the Securities and Exchange Commission of Thailand to illustrate the impact of significant transactions on holding of investment in Sun Express (Thailand) Company Limited by the shareholders of the Company and an amalgamation between Wice Freight Services (Thailand) Company Limited, Prompt Freight and Logistics Company Limited and Wise Logistic Company Limited to be a new company (Amalgamation). The pro forma financial information has been compiled as if the Company held an investment in Sun Express (Thailand) Company Limited as its subsidiary at 60% of shareholding, since the date of establishment of Sun Express (Thailand) Company Limited as if the amalgamation had taken place on January 1, 2012.

<sup>/2</sup> Non-controlling interests of the subsidiary is minority interests of the subsidiary at 40% of shareholding. As at December 25, 2013, the Company held 99.99 of the subsidiary then as at the end of December 2013 have been eliminated this item.

#### WICE Logistics Public Company Limited and its Subsidiary

##### Statement of Comprehensive income

For fiscal year ended December 31

Statement of Comprehensive Income (Unit: Thousand Baht)	Pro Forma Consolidated Statement <sup>/2</sup>		Audited	Reviewed
	2012	2013	2014	3-month period ended March 31, 2015
Service income	630,417	528,801	670,203	171,783
Cost of services	525,226	365,293	497,073	133,996
Gross profit	105,191	163,508	173,130	37,787
Other income	6,221	9,034	6,569	2,015
Profit before expenses	111,412	172,543	179,699	39,802
Selling expenses	39,458	38,985	34,719	8,195
Administrative expenses	50,925	62,316	64,330	16,203
Total expenses	90,384	101,301	99,049	24,398
Operating profit	21,028	71,241	80,650	15,404
Financial cost	242	850	1,767	337
Profit before income tax expenses	20,786	70,391	78,882	15,067
Income tax expenses	5,420	14,761	16,441	3,539
Profit for the period	15,365	55,630	62,442	11,528

Statement of Comprehensive Income  (Unit: Thousand Baht)	Pro Forma Consolidated Statement <sup>2</sup>		Audited	Reviewed
	2012	2013	2014	3-month period ended March 31, 2015
Profit attributable to:				
Equity holders of the Company	14,573	42,338	62,442	11,528
Non-controlling interests <sup>3</sup> 100% of the subsidiary	793	13,293	-	-
	15,366	55,630	62,442	11,528

**Note:** <sup>1</sup> Gross profit margin can be calculated by Gross profits divided by the core revenues (exclude other incomes) which complied to the Gross profit margin disclosed on the key financial ratio.

<sup>2</sup> The pro forma financial information has been compiled by their management and reported by their auditor for the purpose of being included in a filing for initial public offering of WICE Logistics Public Company Limited's ordinary shares ("the Company") with the Securities and Exchange Commission of Thailand to illustrate the impact of significant transactions on holding of investment in Sun Express (Thailand) Company Limited by the shareholders of the Company and an amalgamation between Wice Freight Services (Thailand) Company Limited, Prompt Freight and Logistics Company Limited and Wise Logistic Company Limited to be a new company (Amalgamation). The pro forma financial information has been compiled as if the Company held an investment in Sun Express (Thailand) Company Limited as its subsidiary at 60% of shareholding, since the date of establishment of Sun Express (Thailand) Company Limited as if the amalgamation had taken place on January 1, 2012

<sup>3</sup> Non-controlling interests of the subsidiary is minority interests of the subsidiary at 40% of shareholding. As at December 25, 2013, the Company held 99.99 of the subsidiary; however, the Company's profits of 2013 also contributed to such minority interests.

#### WICE Logistics Public Company Limited and its Subsidiary

##### Cash flow statement

For fiscal year ended December 31

Cash flow statement (Unit: Thousand Baht)	Pro Forma Consolidated Statement <sup>1</sup>	Audited	Reviewed
	2013	2014	3-month period ended March 31, 2015
<b>Cash flow from operating activities</b>			
Profit before tax	70,391	78,882	15,067
Adjustment to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortization	9,561	10,621	2,831
Loss on impairment of assets (reversal)	-	89	(22)
Loss (gain) on sales of equipment	-	(514)	-
Loss on write-off of equipment	-	30	14
Gain on sales of current investments	(1,946)	(22)	(842)
Long-term employee benefit expenses	1,341	1,760	541
Unrealized (gain) loss on exchange	(970)	(507)	(255)

Cash flow statement (Unit: Thousand Baht)	Pro Forma Consolidated Statement <sup>/1</sup>	Audited	Reviewed
	2013	2014	3-month period ended March 31, 2015
Interest income	(378)	(274)	(91)
Interest expenses	850	1,767	337
Profit from operating activities before changes in operating assets and liabilities	78,849	91,831	17,580
Operating assets (increase) decrease			
Trade and other receivables	(11,528)	2,770	(23,078)
Other current assets	(948)	245	150
Other non-current assets	398	(318)	(54)
Operating assets (increase) decrease	(12,078)	2,697	(22,982)
Operating liabilities (increase) decrease			
Trade and other payables	(100,893)	(10,176)	11,516
Other current liabilities	13,472	(12,061)	108
Provision for long-term employee benefits	(86)	(137)	-
Other non-current liabilities	-	207	255
Operating liabilities (increase) decrease	(87,508)	(22,167)	11,879
Cash flows from (used in) operating activities	(20,737)	72,361	6,477
Cash paid for corporate income tax	(6,510)	(20,107)	(1,652)
<b>Net cash flow from (used in) operating activities</b>	<b>(27,247)</b>	<b>52,255</b>	<b>4,825</b>
<b>Cash flow from investing activities</b>			
Increase in current investments	-	(36)	(3)
Decrease in short-term loans	290	910	-
Decrease in loan to directors	2,000	-	-
Increase (decrease) in restricted bank deposits	(849)	391	-
Cash paid to former shareholders of the subsidiary	(21,600)	-	-
Acquisitions of building and equipment	(18,260)	(38,126)	(7,456)
Acquisitions of intangible assets	(92)	-	(42)
Proceeds from sales of equipment and intangible assets	-	514	-
Interest income	370	275	29
Proceeds from sales of current investments	47,014	10,022	15,000
Cash paid for acquisitions of current investments	(34,000)	-	-
<b>Net cash flow from (used in) investing activities</b>	<b>(25,128)</b>	<b>(26,050)</b>	<b>7,528</b>
<b>Cash flows from financing activities</b>			
Cash received from short-term loans from related parties	33,400	-	-
Repayment of short-term loans from related parties	(33,400)	-	-
Repayment made on liabilities under finance lease agreements	(5,823)	(14,138)	(3,418)
Proceeds from increase in share capital	165,000	28,000	17,000
Proceed from increase in share capital of the subsidiary from former shareholders	19,600	-	-

Cash flow statement (Unit: Thousand Baht)	Pro Forma Consolidated Statement <sup>/1</sup>	Audited	Reviewed
	2013	2014	3-month period ended March 31, 2015
Interest expenses	(850)	(1,767)	(337)
Dividend payment	(101,043)	(5,985)	(21,917)
Dividend paid to former shareholders of the subsidiary	(17,737)	-	-
Net cash flows used in financing activities	59,146	6,110	(8,672)
Net increase (decrease) in cash and cash equivalents	6,771	32,315	3,681
Cash and cash equivalents at beginning of period	68,361	48,527 <sup>/2</sup>	80,841
Cash and cash equivalents at end of period	75,133 <sup>/2</sup>	80,841	84,522

**Note:** <sup>/1</sup> The pro forma financial information has been compiled by their management and reported by their auditor for the purpose of being included in a filing for initial public offering of WICE Logistics Public Company Limited's ordinary shares ("the Company") with the Securities and Exchange Commission of Thailand to illustrate the impact of significant transactions on holding of investment in Sun Express (Thailand) Company Limited by the shareholders of the Company and an amalgamation between the Wice Freight Services (Thailand) Company Limited, Prompt Freight and Logistics Company Limited and Wise Logistic Company Limited to be a new company (Amalgamation). The pro forma financial information has been compiled as if the Company held an investment in Sun Express (Thailand) Company Limited as its subsidiary at 60% of shareholding, since the date of establishment of Sun Express (Thailand) Company Limited as if the amalgamation had taken place on January 1, 2012.

<sup>/2</sup> Cash at the end of the period as at December 31, 2013 not equal to Cash at the beginning of the Period as at the beginning of year 2014 due to the basis and assumptions for compiling the pro forma financial information as if the Company held an investment in Sun Express (Thailand) Company Limited as its subsidiary at 60% of shareholding, since the date of establishment of Sun Express (Thailand) Company Limited. Hence, when Sun Express (Thailand) Company Limited pay dividend to shareholders, a part of dividend was paid to minority shareholders (40 % of dividend pay-out) and the rest was paid to the Company (60% of dividend pay-out) as the shareholders of Sun Express (Thailand) Company Limited then when the company has been compiled consolidated financial statement, cash of the company increases from dividend of Sun Express (Thailand) Company Limited.

WICE Logistics Public Company Limited

Statements of Financial Position

For fiscal year ended December 31

Statement of Financial Position (Unit: Thousand Baht)	Audited	Reviewed
	2014	3-month period ended March 31, 2015
Assets		
Current Assets		
Cash and cash equivalents	38,818	57,176
Current investments	36	39
Trade and other receivables	80,207	102,127
Other current assets	2,088	1,971

Statement of Financial Position (Unit: Thousand Baht)	Audited	Reviewed
	2014	3-month period ended March 31, 2015
Total current assets	121,149	161,313
Non-current assets		
Property, plant and equipment – net	122,345	140,784
Other non-current assets	55,661	55,534
Total non-current assets	178,006	196,318
Total assets	299,155	357,631
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	28,169	38,740
Current portion of liabilities under finance lease agreements	11,381	15,258
Income tax payable	-	266
Other current liabilities	6,438	7,792
Total current liabilities	45,989	62,056
Non-current liabilities		
Liabilities under finance lease agreements – net of current portion	12,222	18,775
Provision for long-term employee benefits	3,493	3,874
Other non-current liabilities	207	462
Total non-current liabilities	15,922	23,111
Total liabilities	61,911	85,167
Shareholders' equity		
Share Capital – Issued and paid-up	208,000	225,000
Retained earnings – Appropriated - statutory reserve	6,173	7,327
Retained earnings - Unappropriated	23,071	40,137
Other components of shareholders' equity	-	-
Non-controlling interests of the subsidiary <sup>2</sup>	-	-
Total shareholders' equity	237,244	272,464
Total liabilities and shareholders' equity	299,155	357,631

Note: The Company has been restructured by Amalgamation between Wice Freight Services (Thailand) Company Limited, Prompt Freight and Logistics Company Limited and Wise Logistic Company Limited to be a new company as at November 29, 2013. However, the pro forma consolidated statement for fiscal year 2012 and 2013 have been compiled by their management and reported by their auditor for the purpose of being included in a filing for initial public offering of WICE Logistics Public Company Limited's ordinary shares with the Securities and Exchange Commission of Thailand. Therefore, The Company's financial statements for fiscal year 2012 and 2013 have not been presented.

WICE Logistics Public Company Limited  
Statement of Comprehensive income  
For fiscal year ended December 31

Statement of Comprehensive Income (Unit: Thousand Baht)	Audited	Reviewed
	2014	3-month period ended March 31, 2015
Service income	450,598	127,358
Cost of services	355,949	105,199
<b>Gross profit</b>	<b>94,649</b>	<b>22,159</b>
Dividend income	6,337	34,861
Other income	10,189	2,103
<b>Profit before expenses</b>	<b>111,174</b>	<b>59,123</b>
Selling expenses	23,230	5,770
Administrative expenses	47,138	11,086
<b>Total expenses</b>	<b>70,368</b>	<b>16,856</b>
<b>Operating profit</b>	<b>40,806</b>	<b>42,267</b>
Financial cost	1,767	337
<b>Profit before income tax expenses</b>	<b>39,039</b>	<b>41,930</b>
Income tax expenses	7,099	1,793
<b>Profit for the period</b>	<b>31,940</b>	<b>40,137</b>

**Notes:** The Company has been restructured by Amalgamation between Wice Freight Services (Thailand) Company Limited, Prompt Freight and Logistics Company Limited and Wise Logistic Company Limited to be a new company as at November 29, 2013. However, the pro forma consolidated statement for fiscal year 2012 and 2013 have been compiled by their management and reported by their auditor for the purpose of being included in a filing for initial public offering of WICE Logistics Public Company Limited's ordinary shares with the Securities and Exchange Commission of Thailand. Therefore, The Company's financial statements for fiscal year 2012 and 2013 have not been presented.

WICE Logistics Public Company Limited  
Cash flow statement  
For fiscal year ended December 31

Cash flow statement (Unit: Thousand Baht)	Audited	Reviewed
	2014	3-month period ended March 31, 2015
<b>Cash flow from operating activities</b>		
Profit before tax	39,039	41,930
Adjustment to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortization	10,338	2,716

Cash flow statement  (Unit: Thousand Baht)	Audited	Reviewed
	2014	3-month period ended March 31, 2015
Loss on impairment of assets (reversal)	7	-
Loss (gain) on sales of equipment	(514)	-
Loss on write-off of equipment	30	14
Gain on sales of current investments	(22)	-
Long-term employee benefit expenses	1,118	381
Unrealized (gain) loss on exchange	56	35
Interest income	(163)	(65)
Dividend income	(6,337)	(34,861)
Interest expenses	1,767	337
Profit from operating activities before changes in operating assets and liabilities	45,318	10,487
Operating assets (increase) decrease		
Trade and other receivables	(8,434)	(21,931)
Other current assets	108	117
Other non-current assets	3	(4)
Operating assets (increase) decrease	(8,324)	(21,818)
Operating liabilities (increase) decrease		
Trade and other payables	(3,348)	10,609
Other current liabilities	(8,723)	1,353
Provision for long-term employee benefits	(117)	-
Other non-current liabilities	207	255
Operating liabilities (increase) decrease	(11,981)	12,217
Cash flows from (used in) operating activities	25,014	886
Cash paid for corporate income tax	(7,797)	(1,400)
<b>Net cash flow from (used in) operating activities</b>	<b>17,216</b>	<b>(514)</b>
<b>Cash flow from investing activities</b>		
Increase in current investments	(36)	(3)
Decrease in short-term loans	910	-
Decrease in loan to directors	(109)	-
Acquisitions of building and equipment	(37,274)	(7,333)
Proceeds from sales of equipment and intangible	956	-
Interest income	164	3

Cash flow statement  (Unit: Thousand Baht)	Audited	Reviewed
	2014	3-month period ended March 31, 2015
Dividend income	6,337	34,861
Proceeds from sales of current investments	10,022	-
<b>Net cash flow from (used in) investing activities</b>	<b>(19,031)</b>	<b>27,528</b>
<b>Cash flows from financing activities</b>		
Repayment of short-term loans from related parties	(14,230)	-
Repayment made on liabilities under finance lease agreements	-	(3,402)
Proceeds from increase in share capital	28,000	17,000
Interest expenses	(1,767)	(337)
Dividend payment	(5,985)	(21,917)
<b>Net cash flows used in financing activities</b>	<b>6,018</b>	<b>(8,656)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,203</b>	<b>18,358</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>34,615</b>	<b>38,818</b>
<b>Cash and cash equivalents at end of period</b>	<b>38,818</b>	<b>57,176</b>

**Notes:** The Company has been restructured by Amalgamation between Wice Freight Services (Thailand) Company Limited, Prompt Freight and Logistics Company Limited and Wise Logistic Company Limited to be a new company as at November 29, 2013. However, the pro forma consolidated statement for fiscal year 2012 and 2013 have been compiled by their management and reported by their auditor for the purpose of being included in a filing for initial public offering of WICE Logistics Public Company Limited's ordinary shares with the Securities and Exchange Commission of Thailand. Therefore, The Company's financial statements for fiscal year 2012 and 2013 have not been presented.



Presented by

Phillip Securities (Thailand) Public Company Limited

We hereby certify that the information contained in this Information Memorandum of WICE Logistics Public Company Limited is complete and true in all respects.

Company Seal

---

(Mrs. Araya Kongsoonthorn)

Director

---

(Mr. Chudet Kongsoonthorn)

Director