

Management Discussion and Analysis: MD&A

Operating result and financial position

1) Highlight the Company performance result.

This year, the company had a net profit of Baht 47 million, a decrease of 8% compared to the same period of the previous year with a net profit of Baht 51.2 million because of a net profit of the nine-month period ended of the previous year was included gain on foreign exchange of Baht 14.2 million. If it's excluded the gain on exchange, the company will have net operating profit increase by 32% from the same period of the previous year. The main reason is that the company was able to reduce sales and administrative expenses by more than 8% from the same period of the previous year. In addition, the company focuses on cost management according to effective strategy, as well as the managing of return transportation trips for increasing.

As a result, the gross profit margin for the nine-months period ended of this year significantly increased to 15%, it's the highest in the past 3 years and as the company had anticipated.

Summary of the Company performance result of the period ended 30 September

Comprehensive income statements (Unit : Million Baht)	Q3'22	Q2'23	Q3'23	YoY		QoQ	
				Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
Service incomes	415.69	341.75	303.75	(111.94)	-27%	(38.00)	-11%
Cost of services	(361.54)	(294.60)	(254.77)	(106.77)	-29%	(39.83)	-13%
Gross profit	54.15	47.15	48.98	(5.17)	-9%	1.83	4%
Other income	9.83	0.19	0.92	(8.91)	-91%	0.73	384%
Selling expenses	(1.15)	(1.30)	(1.38)	(0.23)	20%	0.08	6%
Administrative expenses	(26.32)	(24.72)	(24.35)	(1.97)	-7%	(0.37)	-2%
Profit before finance cost and tax expenses	36.51	21.32	24.17	(12.34)	-34%	2.85	12%
Net profit	27.21	15.67	15.28	(11.93)	-43%	(0.39)	-2%
<u>Profit attributable to:</u>							
Equity holders of the Company	27.01	13.97	16.87	(10.14)	-37%	2.90	21%
Non-controlling interest of the subsidiary	0.20	1.70	(1.59)	(1.79)	-895%	(3.29)	-499%
Gross profit margin	13.03%	13.80%	16.12%				
Net profit margin	6.50%	4.58%	5.03%				

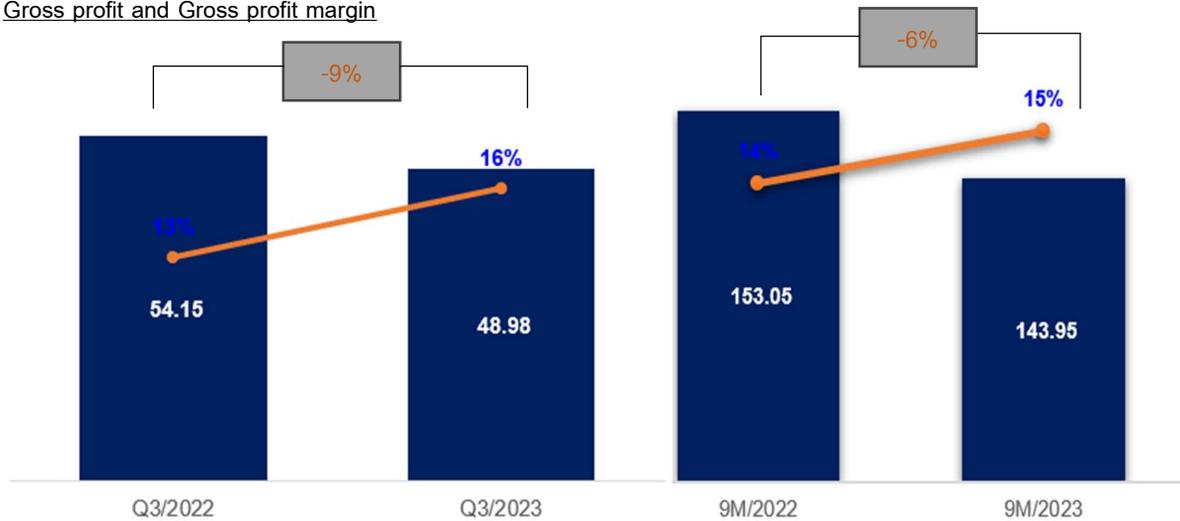
Comprehensive income statements (Unit : Million Baht)	For nine-month period		YoY	
	2022	2023	Increase (Decrease)	
Service incomes	1,122.40	949.94	(172.46)	-15%
Cost of services	(969.35)	(805.98)	(163.37)	-17%
Gross profit	153.05	143.95	(9.10)	-6%
Other income	17.97	4.17	(13.80)	-77%
Selling expenses	(6.96)	(3.74)	(3.22)	-46%
Administrative expenses	(87.41)	(83.00)	(4.41)	-5%
Profit before finance cost and tax expenses	76.65	61.38	(15.27)	-20%
Net profit	51.23	47.15	(4.08)	-8%
Profit attributable to:				
Equity holders of the Company	52.52	46.62	(5.90)	-11%
Non-controlling interest of the subsidiary	(1.29)	0.54	1.83	142%
Gross profit margin	13.66%	15.15%		
Net profit margin	4.68%	4.91%		

Service incomes

During the third quarter, the Group was Baht 304 million, a decrease of Baht 112 million or 27% from the same period of the previous year and a decrease of 11% from the second quarter of the current year. The main reason is that conflict situations in many countries have caused the economy to slow down over the past year. In addition, the volume of transportation trips from China increased greatly in the third quarter of the previous year, after the relaxation of the border checkpoint closure situation in China from June 2022 onwards, thus causing the total income of the same period of the previous year was higher than the current year.

For the nine-month periods of 2022 and 2023, the Group's service income was Baht 1,122 million and Baht 950 million, respectively. The decrease in service income was caused by the slowdown of the economy both inside and outside the country this year. This can be seen from the Department of Trade's border and border trade statistics. For the first nine-months period of this year, the average total value of exports and imports decreased by 2.06% and 2.53%, respectively.

Gross profit and Gross profit margin



From the above chart, the Company's gross profit margin in the third quarter and the nine-month periods of the year 2023 increased. This is due to the Group's effective cost management according to its strategy of reduction of the cost of outsourcing transportation, which is the main cost of the group of companies. In addition, the number of empty trips of the group of companies has decreased. As a result, the gross profit margin in the third quarter and the first nine-month periods of this year increased to 16% and 15%, respectively, which is the highest in the past three years, although the gross profit amount was decreased from the same period of the previous year.

Other income

During the third quarter and the nine-month periods of the year 2023, the other income of the Group amounted to Baht 1 million and Baht 4 million, respectively. Decreasing from the same period of the previous year, it's mainly due to recognise a gain on foreign exchange in the third quarter and nine-month periods of the year 2022 in the amount of 8 million baht and 14 million baht, respectively.

Selling and administrative expenses

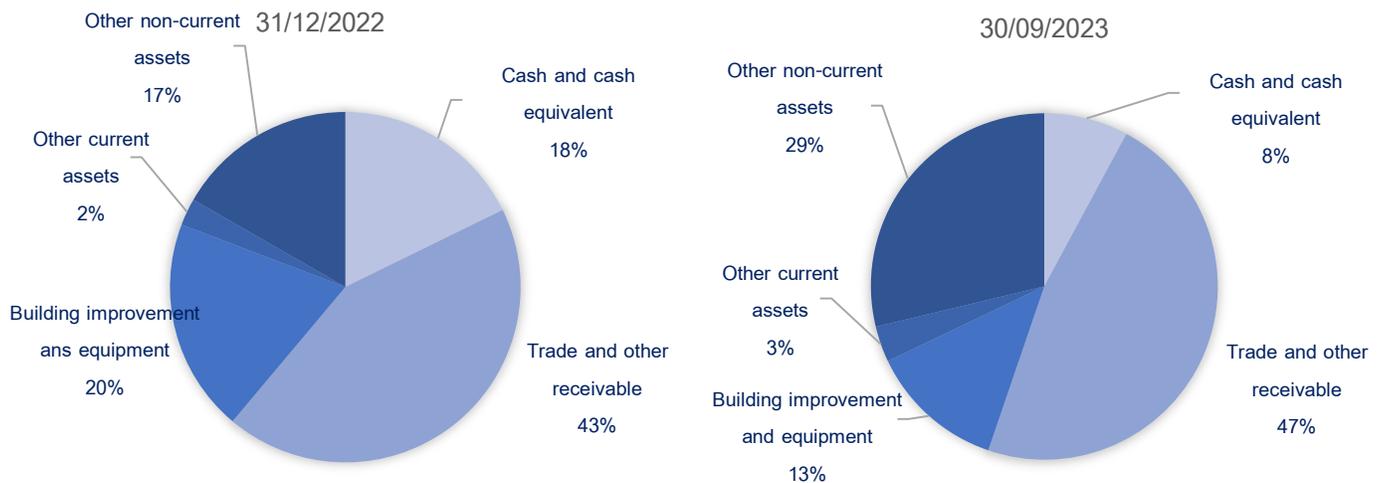
The Group has decreased by Baht 2 million or approximately 7% of the previous year in the sales and administrative expenses for the third quarter of the year 2023. For the nine-month period ended, the sales and administrative expenses decreased by Baht 8 million or approximately 8% of the previous year, it's mainly due to reducing the Company common expenses in line with the company's strategy.

Net profit

The Group's net profit for the nine-month period of the year 2023 was Baht 47 million, while the previous year's net profit was Baht 51 million, a decrease of 8%. In the year 2022, the base of the Group's net profit included profits from gain on exchange amounted to Baht 14 million. For the excluded the gain on exchange amount in the previous year, this year's net profit increased by Baht 12 million or approximately 32%, which shows the company's ability to make profits has grown continuously.

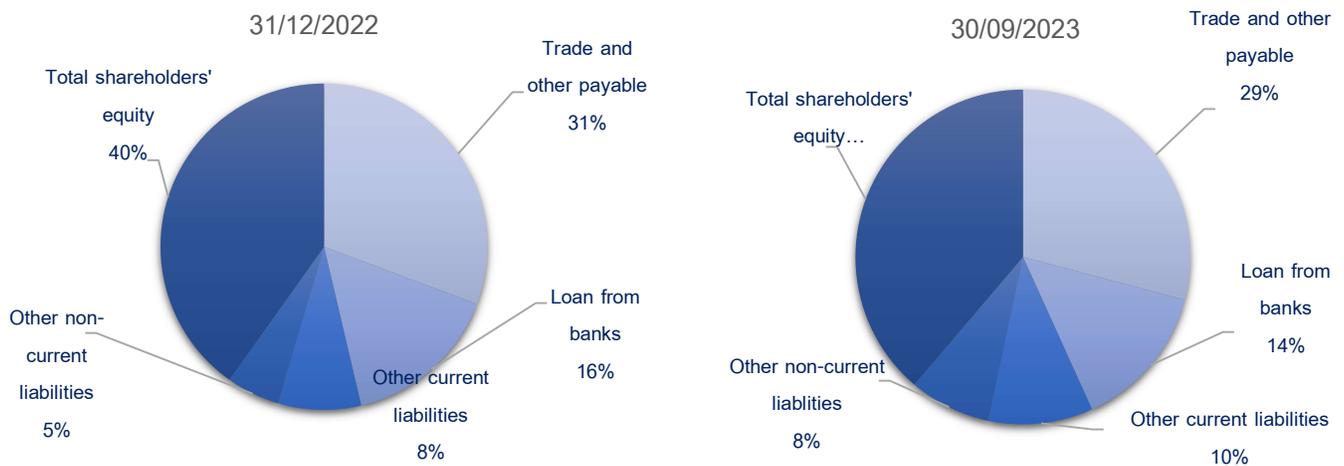
2) Financial position analysis

The statement of financial position	Consolidated financial statement as at			
	31 December 2023		30 September 2023	
	Million Baht	%	Million Baht	%
Assets				
Cash and cash equivalent	180.30	17.74	72.90	7.85
Trade and other receivable	440.50	43.36	440.20	47.40
Other current assets	25.20	2.48	31.10	3.35
Building improvement and equipment	200.20	19.72	117.40	12.64
Other non-current assets	169.67	16.70	267.00	28.75
Total assets	1,015.87	100.00	928.60	100.00


Assets

As at 30 September 2023, the Company had total assets worth Baht 928.60 million, a decrease of Baht 87.27 million or 8.59% from 31 December 2022. It's mainly due to the payment of annual dividends for 2022 and interim dividends in the year 2023.

The statement of financial position	Consolidated financial statement as at			
	31 December 2022		30 September 2023	
	Million Baht	%	Million Baht	%
Liabilities and shareholders' equity				
Trade and other payable	312.25	30.74	270.51	29.13
Loan from banks	158.40	15.59	130.69	14.07
Other current liabilities	83.09	8.18	93.77	10.10
Other non-current liabilities	53.84	5.30	73.39	7.90
Total shareholders' equity	408.29	40.19	360.23	38.80
Total liabilities and shareholders' equity	1,015.87	100.00	928.60	100.00



Liabilities and shareholders' equity

As at 30 September 2023, the Company had total liabilities worth Baht 568.37 million, a decrease of Baht 39.21 million or approximately to 6.45% from 31 December 2022. It's mainly due to a decrease in trade and other payables from made payment.

3) Perspective on the operating performance trend in the final period of 2023

The Company expects that the last quarter will be considered a period of growth for the logistics business. The trend of import and export volumes is likely to improve. For China's economic recovery, there is a better direction. This is a factor that promotes the Company's increased volume of transportation trips from the previous quarter. After the Company has already been listed on the stock exchange, the Company has prepared to use the funds raised to invest in business expansion to increase capacity to support work that will grow next year. In addition, the Company is preparing to support expansion into the Cold-Chain logistics business, which is a new market that the company views as a growth market in 2024, along with adding vehicles and equipment so that It is expected that this will result in a better gross profit margin. In addition, the Company continues to implement strategies for managing costs and expenses to be continuously efficient to continuously increase the ability to make profits.