

SCGJWD Logistics Public Company Limited

Management Discussion and Analysis for Year Ended 31 December 2023

Executive Summary

In pursuit of the Company's primary objective of becoming a potential of supply chain management, 2023 is a year of synergy to grow its logistics and supply chain business, and to establish itself as the leading logistics brand in ASEAN. The integration of JWD InfoLogistics Public Company Limited (JWD) and SCG Logistics Management Company Limited (SCGL) completed on February 14, 2023, and renamed as SCGJWD Logistics Public Company Limited ("SJWD") with a new trading symbol "SJWD", effective as of February 17, 2023. The Company started to consolidate both revenue from JWD and SCGL in 1Q2023 (February 1, 2023) and completed the entire business transfer (EBT) on October 1, 2023.

Through this merger, the Company is dedicated to utilizing its strengths of specialized logistics services, such as cold chain management, dangerous goods management, and automotive logistics management as well as serving a broad range of industrial customers, particularly in three key industries: consumer goods, steel and building materials, paper and packaging, and food and agricultural products in order to increase revenue growth opportunities in ASEAN countries and countries, including Southern China. In order to reach the target of raising the market capitalization to 100 billion baht by 2027, the Company decided to implement its 2023 business plan that emphasizes on 1. Seamless Regional Expansion & Connectivity through ASEAN and bolstering international expansion, 2. Cross-Sale & Up-Sale by maximizing the advantages of shared resources in terms of cost and existing customer base expansion to increase revenue growth opportunities, 3. Strengthen & Scale up Core Competencies, such as cold chain management, automotive logistics management, chemicals and dangerous goods supply chain management by utilizing the business's scale to encourage the pooling of resources for optimal benefit with an emphasis on value-added services, 4. Growing DC2 segment, such as B2B, B2B2C, C2C, Self-Storage, E-commerce Fulfillment, and Cold Chain Express Delivery, which include general products and temperature-controlled products, and 5. Continue to broaden the range of services offered to new business opportunities, such as Property Solutions and Logistics IT Solutions (analyzing, designing, and integrating data-driven innovations to enhance efficient supply chain management) to achieve the goal of increasing the market CAP to One hundred billion Baht by 2027.

Consequence of the merger, the Company has a strong financial position, and its corporate credit rating has been upgraded to be BBB+(tha) - Stable Outlook from Fitch Ratings (Thailand). In addition, the Company achieved success with its 2 tranches of its first debentures 1/2023 with the total offering amount not exceeding 4,000 million Baht in September 2023. The objectives are to be used for business expansion, debt repayment, and working capital.

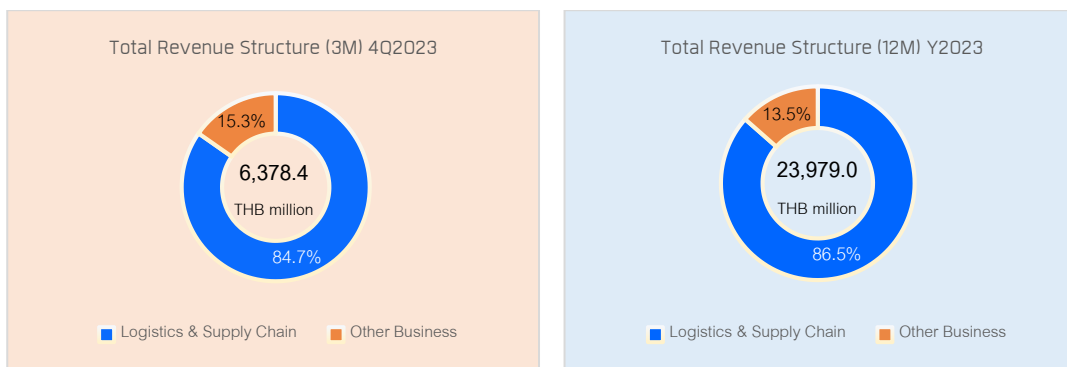
Overview of Business Performance in the Year 2023

The first half of 2023 saw a slowdown in the Company's overall logistics and supply chain business, primarily because of unfavorable factors such as Thai economy was slower recovery than expected and domestic political uncertainties. Alongside this, a slowdown in major economies in many regions around the world were contracting. Energy prices were rising as a result of inflation and war as well as global fuel prices which fluctuated throughout the year. Global warming was another primary matter that caused El Niño phenomenon which raised global temperatures and a decline in marine fisheries. All the primary causes impacted the Company's operations, particularly on general and dangerous goods warehouse management, international freight forwarding, transport and distribution, and food and cold chain management.

Meanwhile, the logistics and supply chain sector's recovery allowed operating performance to begin to improve in the second half of 2023. For example, the drop in tuna prices allowed food and cold chain business to resume regular operations. As a result, restocking and import tuna volume increased. Furthermore, a drop in coal prices led to the growth of coal transportation. The percentage of imported coal increased by 13.8% in comparison to the first half of the year.

The Company offers the most extensive logistics and supply chain services across all businesses and industries. Its revenue streams from various business groups such as B2B Integrated Logistics: General & Free Zone Warehouse, Chemicals & Dangerous Good, Food & Cold Chain, Automotive & Parts, Document Storage, Transport & Distribution, Freight Forwarding, etc. Because of this, it has been diversified to lessen reliance and impact if any business group slows down due to unfavorable factors that will negatively affect the Company's overall performance. Automotive and Parts continued to perform exceptionally well throughout the year due to rapid growth in domestic demand for electric vehicles (EV). Other significant factors included high fuel prices, price competition for internal combustion engine vehicles that benefited from the Free Trade Area (FTA), and government policies.

Total Revenue Structure in 4Q2023



Unit : Million Baht	3-month period			QoQ	YoY	Year		YoY
	4/2022 ⁽¹⁾	3/2023 ⁽²⁾	4/2023 ⁽²⁾	+/(-)%	+/(-)%	2022	2023 ⁽²⁾	+/(-)%
Total Revenue	1,585.7	6,458.7	6,378.4	(1.2%)	302.2%	5,988.2	23,979.0	300.4%
Revenue from rental and rendering of services	1,579.8	6,416.6	6,300.1	(1.8%)	298.8%	5,902.1	23,732.4	302.1%
Gross Profit	376.3	806.2	924.4	14.7%	145.6%	1,364.1	3,173.1	132.6%
Gross Profit Margin (%)	23.8%	12.6%	14.7%			23.1%	13.4%	
Interest income, Dividend income and Other income	5.9	42.1	78.3	86.0%	1227.1%	86.0	246.7	186.9%
Selling and Administrative Expenses	(251.0)	(561.8) ^(B)	(580.3) ^(B)	3.3%	131.3%	(924.5)	(2,183.0) ^(B)	136.2%
Finance Costs	(73.9)	(120.3)	(134.0)	11.4%	81.4%	(290.7)	(470.8)	62.0%
Share of profit of investments in associates and joint ventures	65.7	42.0	43.0	2.4%	(34.5%)	332.0	211.5	(36.3%)
Net profit attributable to owners of the Company	112.8	139.8	260.8	86.6%	131.2%	504.3	761.3	51.0%
Net Profit Margin (%)*	7.1%	2.2%	4.1%			8.4%	3.2%	
Extra items from the merger	-	96.9 ^(B)	-				145.3 ^(B)	
Net profit attributable to owners of the Company (before extra items)	112.8	236.7 ^(B)	260.8	10.2%	131.2%	504.3	906.6 ^(B)	79.8%
Net Profit Margin (%)*	7.1%	3.7%	4.1%			8.4%	3.8%	

*Net Profit Margin = Net profit attributable to owners of the Company / Total revenue

Note:

- The financial statements and operating results in 4Q2022 was the separate financial statements of JWD InfoLogistics Public Company Limited.
- The financial statements and operating results in 3Q2023 and 4Q2023 were the financial statements after the merger between SCG Logistics Management Co., Ltd. and JWD Company InfoLogistics Public Company Limited starting from February 1, 2023, and presented as a consolidated statement.
- Extra items – Extra items from the merger were a result of expenses recognition that included all expenses related to the merger transaction and transfer of SCGL, which were one-time expenses. These included Advisory fees, costs associated with both domestic and international business transfers, local taxes, deferred taxes, and severance pay. For the 3-month period of Q3/2023, there were Baht 96.9 million, and for the year ended 31 December, 2023, there were Baht 145.3 million.

Total Revenue

In Q4/2023 (3-month period) as ended of 31 December 2023, the Company had total revenue of Baht 6,378.4 million, decreased by 1.2% QoQ. This was mostly caused by decreased revenue from B2B and D2C transportation and distribution services, which fell in step with the industry's declining service sales volumes: cement, steel and building materials, comprising dangerous and chemical products. Additionally, the contract for the Barge Terminal at Laem Chabang Industrial Estate expired in Q3/2023, which resulted in a decline in revenue from logistics infrastructure services as well as from moving and relocation services.

Nonetheless, the Company's performance was also strong in the following business segments: Automotive, Cross Border (Overseas Logistics), Self-Storage, and Food Supply Chain. Because of the electric vehicle (EV) market's explosive growth, Automotive was the best-performing segment through the year 2023. The Company has been trusted by many top automakers, including the best-selling EV brands, for over 14 years with experience and expertise in automotive logistics management – automotive yard, warehouse management, pre-delivery inspection, and other services. Additionally, the growth of the customer base in nearby ASEAN Countries contributed to an increase in revenue for Cross-Border business. The Taiwanese tourism industry's recovery also helped Food Supply Chain business, as it led to higher sales growth from hot pot products than in other quarters.

In 2023, the Company had total revenue of Baht 23,979.0 million, increased by 300.4% YoY. The merger resulted in a notable rise in overall revenue along with well performance from businesses such as General and Free Zone Warehouse, Automotive, Cold Chain, Self-Storage, Cross Border, Document Storage, and Logistics Infrastructure.

Gross Profit

In Q4/2023 (3-month period), the Company had a gross profit of Baht 924.4 million, a gross profit margin of 14.7%, increased by 14.7% QoQ. For the year 2023, the Company had a gross profit of Baht 3,173.1 million, increased by 132.6% YoY, with a gross profit margin of 13.4%. This was mostly caused by improved cost managements across several business divisions, especially in Automotive business where the EV sector's service throughput greatly increased. Lower electricity and fuel expenses also were a result of the government's cost-of-living reduction policies, which have been in place since in September 2023. Furthermore, in Q4/2023 the Company has recognized amortization of assets acquired from the merger and depreciation value adjustment from useful life of assets according to the assets valuation report of independent appraiser, hence increasing gross profit.

Share of profit of investments in associates and joint ventures

In Q4/2023 (3-month period), the Company had net profit attributable to owners of the Company of Baht 43.0 million, increased by 2.4% QoQ. For the year 2023, the Company had net profit attributable to owners of the Company of Baht 211.5 million, decreased by 36.3% YoY. A reason for this was a decline in profit sharing from affiliate companies, such as Transimex Corporation (TMS), etc.

Interest Income, Dividend Income, and Other Income

In Q4/2023 (3-month period), the Company had interest income, dividend income, and other income of Baht 78.3 million, increased by 86.0% QoQ. For the year 2023, the Company had these incomes of Baht 246.7 million, increased by 186.9% YoY. This resulted from the recognition of gain/ loss on exchange rates, the majority of which were unrealized Gain/Loss.

Selling, General, and Administrative Expenses (SG&A)

In Q4/2023 (3-month period), the Company had SG&A of Baht 580.3 million, increased by 3.3% QoQ. For the year 2023, the Company had SG&A of Baht 2,183.0 million, increased by 136.2% YoY. The increase in SG&A was resulted from the merger of the Company, such as consulting fees, domestic and international business transfer expenses, local taxes, deferred taxes, severance pay, etc. However, the administrative expenses of Baht 96.9 million in Q3/2023 were one-time expenses associated with the transfer of SCGL's entire business to the Company in accordance with the original merger plan. The total expense of the merger through the year 2023 was Baht 145.3 million.

Finance Costs

In Q4/2023 (3-month period), the Company had finance costs of Baht 134.0 million, increased by 11.4% QoQ. Short-term loans for business expansion plans were the cause of this increase. For the year 2023, the Company had finance costs of Baht 470.8 million, increased by 62.0% YoY. Short-term loans for business expansion plans were the cause of this. This resulted from the Company issuing debentures totaling Baht 4,000 million to close existing loans with exorbitant interest rates using some of these credit lines. It is anticipated that financing expenses will gradually decline and will have a significant positive impact on the Company's net profit.

Net Profit Attributable to Owners of the Company

In Q4/2023 (3-month period), the Company had net profit attributable to owners of the Company of Baht 260.8 million, increased by 86.6% QoQ. Its gross profit margin was 4.1%. This was a result of one-time expenses associated with the transfer of SCGL's entire business to the Company of Baht 96.9 million were entirely recorded in Q3/2023. For the year 2023, the Company had net profit attributable to owners of the Company of Baht 761.3 million, increased by 51.0% YoY. Its gross profit margin was 3.2%. With the exception of total one-time expenses of the merger of Baht 145.3 million, the Company will have net profit attributable to the Company

of Baht 906.6 million with a gross profit margin was 3.8%. Additionally, this resulted from improvements in cost management and certain business performance. Nonetheless, the Company's capacity to offer more extensive supply chain and logistics services both domestically and abroad has increased as a result of this merger. The Company intends to better manage and control expenses in order to continuously improve its operating results along with broaden its base of revenue, enhance throughput, and bolster the possibility of quick growth from both present and potential customers.



Analysis of Financial Performance by Business Segment

The Company reorganized its business units to align with the merged business. Revenue and gross profit classified by business segment were divided into details as shown in the table:

Revenue: Group of Business (Unit: million Baht)	3-month period			+/(-%)		Year			% of Total Revenue				
	4/2022	3/2023	4/2023	QoQ	YoY	2022	2023	YoY	4/2022	3/2023	4/2023	2022	2023
1. Logistics & Supply Chain													
1.1. Warehouse & Yard Management Business	664.5	1,025.0	1,032.8	0.8%	55.4%	2,381.5	3,719.5	56.2%	42.1%	16.0%	16.4%	40.4%	15.7%
1.2. Transportation & Distribution business	323.9	3,101.7	2,955.4	(4.7%)	812.4%	1,275.2	11,756.2	821.9%	20.5%	48.3%	46.9%	21.6%	49.5%
1.3. Other Logistics business	168.1	726.5	663.0	(8.7%)	294.4%	653.1	2,504.5	283.5%	10.6%	11.3%	10.5%	11.1%	10.6%
1.4. Overseas business	66.6	764.5	750.6	(1.8%)	1027.0%	246.7	2,758.1	1018.0%	4.2%	11.9%	11.9%	4.2%	11.6%
Total Revenue of Logistics and Supply Chain	1,223.1	5,617.6	5,401.8	(3.8%)	341.6%	4,556.5	20,738.3	355.1%	77.4%	87.5%	85.7%	77.2%	87.4%
2. Other Businesses	356.7	798.9	898.3	12.4%	151.8%	1,345.5	2,994.2	122.5%	22.6%	12.5%	14.3%	22.8%	12.6%
Total	1,579.8	6,416.6	6,300.1	(1.8%)	298.8%	5,902.0	23,732.5	302.1%	100.0%	100.0%	100.0%	100.0%	100.0%

Gross Profit: Group of Business (Unit: million Baht)	3-month period			+/(-%)		Year			% Gross Profit Margin				
	4/2022	3/2023	4/2023	QoQ	YoY	2022	2023	YoY	4/2022	3/2023	4/2023	2022	2023
1. Logistics & Supply Chain													
1.1. Warehouse & Yard Management Business	230.7	342.3	358.2	4.7%	55.3%	824.6	1,231.3	49.3%	34.7%	33.4%	34.7%	34.6%	33.1%
1.2. Transportation & Distribution business	65.7	206.2	192.1	(6.8%)	192.4%	225.0	880.3	291.2%	20.3%	6.6%	6.5%	17.6%	7.5%
1.3. Other Logistics business	43.8	147.5	144.4	(2.1%)	229.7%	151.9	538.2	254.3%	26.1%	20.3%	21.8%	23.3%	21.5%
1.4. Overseas business	11.1	64.4	78.5	22.0%	607.2%	59.8	227.2	279.9%	16.7%	8.4%	10.5%	24.2%	8.2%
Total Revenue of Logistics and Supply Chain	351.3	760.3	773.2	1.7%	120.1%	1,261.3	2,877.0	128.1%	28.7%	13.5%	14.3%	27.7%	13.9%
2. Other Businesses	16.7	33.3	56.9	70.9%	240.7%	66.2	168.2	154.1%	4.7%	4.2%	6.3%	4.9%	5.6%
Total	368.0	793.6	830.1	4.6%	125.6%	1,327.5	3,045.2	129.4%	23.3%	12.4%	13.2%	22.5%	12.8%
Adjustment according to TFRS16	8.2	12.7	14.6	15.2%	78.0%	36.5	48.3	32.3%	0.5%	0.2%	0.2%	0.6%	0.2%
Adjustment according to PPA report			79.6				79.6						
Gross profit after adjustment	376.2	806.2	924.3	14.6%	145.7%	1,364.0	3,173.1	132.6%	23.8%	12.6%	13.4%	23.1%	13.0%

1.1 Warehouse and Yard Management

Revenue: By Product Categories (Unit: million Baht)	3-month period			+/(-%)		Year			% of Total Revenue				
	4/2022	3/2023	4/2023	QoQ	YoY	2022	2023	YoY	4/2022	3/2023	4/2023	2022	2023
1.1.1. General Goods	150.7	309.8	278.3	(10.2%)	84.7%	521.2	1,116.9	114.3%	9.5%	4.8%	4.4%	8.8%	4.7%
1.1.2. Dangerous Goods	127.2	133.9	122.0	(8.9%)	(4.1%)	552.1	513.4	(7.0%)	8.1%	2.1%	1.9%	9.4%	2.2%
1.1.3. Automotive	163.2	295.7	340.0	15.0%	108.3%	446.6	1,094.4	145.1%	10.3%	4.6%	5.4%	7.6%	4.6%
1.1.4. Cold Chain Storage	223.5	285.6	292.6	2.5%	30.9%	861.5	994.9	15.5%	14.1%	4.5%	4.6%	14.6%	4.2%
Total	664.6	1,025.0	1,032.9	0.8%	55.4%	2,381.4	3,719.6	56.2%	42.1%	16.0%	16.4%	40.3%	15.7%

Gross Profit: By Product Categories (Unit: million Baht)	3-month period			+/(-)%		Year			% Gross Profit Margin				
	4/2022	3/2023	4/2023	QoQ	YoY	2022	2023	YoY	4/2022	3/2023	4/2023	2022	2023
1.1.1 General Goods	26.0	61.1	61.4	0.5%	136.2%	93.8	242.5	158.5%	17.3%	19.7%	22.1%	18.0%	21.7%
1.1.2 Dangerous Goods	44.4	53.5	44.4	(16.9%)	0.0%	222.4	196.1	(11.8%)	34.9%	39.9%	36.4%	40.3%	38.2%
1.1.3 Automotive	72.1	111.2	125.2	12.6%	73.6%	157.4	426.7	171.1%	44.2%	37.6%	36.8%	35.2%	39.0%
1.1.4 Cold Chain Storage	88.3	116.5	127.3	9.3%	44.2%	351.1	366.0	4.2%	39.5%	40.8%	43.5%	40.8%	36.8%
Total	230.8	342.3	358.30	4.7%	65.2%	824.7	1,231.3	49.3%	34.7%	33.4%	34.7%	34.6%	33.1%

1.1.1 General Goods

In Q4/2023 (3-month period), the Company had revenue of Baht 278.3 million, decreased by 10.2% QoQ. Its gross profit was Baht 61.4 million, increased by 0.5% QoQ. Its gross profit margin was 22.1%. This resulted from a decline in the demand for general warehouse space at the close of the fiscal year.

For the year 2023, the Company had revenue of Baht 1,116.9 million, increased by 114.3% YoY. Its gross profit was Baht 242.5 million, increased by 158.5% YoY. Its gross profit margin was 21.7%. This was primarily because of the merger, which gave the Company access to additional warehouses and space management capabilities for inventory services. The addition of roughly 150,000 square meters of SCGL's existing warehouse space resulted in a decrease of 10.1% in the average occupancy rate of general warehouse space in 2023 which was 90.4% as compared to the previous year. The Company sees an opportunity and is ready to expand its service areas in response to the growing demand that will also increase the ability to reach potential clients. Retaining present customers is equally important as growing the company's business by offering more comprehensive services. In the long run, this will be a crucial step toward growing the customers and revenue in the future. Nonetheless, a minor decline in net profit margin was brought on by an increase in warehouse management expenses because of wages outsourced to support the future growth in demand for warehouses and distribution centers, as well as warehouse rentals.

1.1.2 Dangerous Goods

In Q4/2023 (3-month period), the Company had revenue of Baht 122.0 million, decreased by 8.9% QoQ. Its gross profit was Baht 44.4 million, decreased by 16.9% QoQ. Its gross profit margin was 36.4%. For the year 2023, the Company had revenue of Baht 513.4 million, decreased by 7.0% YoY. Its gross profit was Baht 196.1 million, decreased by 11.8% YoY. Its gross profit margin was 38.2%. This was a result of a slowdown in the chemical and petrochemical industry. Consequently, the amount of sales of dangerous goods and chemical products declined as compared to the prior quarter. Customers were also leaving their containers earlier, which resulted in a decrease in revenue from container storage this year.

Volume	3-month period			Year	
	2/2022	3/2023	4/2023	2022	2023
Yard (TEU*)	44,693	46,631	45,631	175,231	179,650
Dangerous warehouse (Revenue Ton)	6,339	4,838	6,000	24,201	22,937

*TEU (Twenty Equivalent Unit) is 20-foot equivalent containers.

1.1.3 Automotive

In Q4/2023 (3-month period), the Company had revenue Baht 340.0 million, increased by 15.0% QoQ. Its gross profit was Baht 125.2 million, increased by 12.6% QoQ. Its gross profit margin was 36.8%. For the year 2023, the Company had revenue Baht 1,094.4 million, increased by 145.1 % YoY. Its gross profit was Baht 426.7 million, increased by 171.1% YoY. Its gross profit margin was 39.0%. As a result of the swift increase in the domestic market for electric vehicles (EV), the Company now has the chance to offer full-service solutions to both leading EV brands and manufacturers of combustion vehicles with services, such as auto parts, automotive yard management, pre-delivery inspection, inventory management, on-site yard management, and car carrier service for dealers. As a response to the growing market trends and customer needs for EVs associated with environmental sustainability, the service has been customized to suit an individual needs. The Company's capacity in automotive logistics management enables it to continuously expand its business to meet the needs of both current and potential customers, particularly in the EV manufacturers sector.

1.1.4 Cold Chain Storage Management

In Q4/2023 (3-month period), the Company had revenue of Baht 292.6 million, increased by 2.5% QoQ. Its gross profit was Baht 127.3 million, increased by 9.3% QoQ. Its gross profit margin of 43.5%. This occurred as a result of the fisheries recovering from the effects of global warming, as well as the El Niño phenomena and rising sea temperatures, which in turn caused a decrease in the amount of tuna stockpiled in 1H2023. Conversely, a decline in tuna fish price in 2H2023 led to a rise in imports and stocks in Q4/2023. Consequently, occupancy rates averaged 72.8%, up 10.4% QoQ.

For the year 2023, the Company had revenue of Baht 994.9 million, increased by 15.5% YoY. Its gross profit was Baht 366.0 million, increased by 4.2% YoY. Its gross profit margin of 36.8%. Occupancy rates averaged 67.8% yearly, decreased by 7.6% YoY. This resulted from the opening of 2 new cold chain storage warehouses: "PACT" project, a JV project with Thailand's leading processes seafood operator, which occupies an area of 8,700 sq.m. in Samut Sakhon province, and "PACA" project (or "Alpha KM.22"), which occupies an area of 21,660 sq.m., of which have been operated since January and March 2023 respectively.

Regarding sustainable development, Food & Cold Chain business focuses on energy efficiency management and the use of renewable energy through the use of solar rooftops and the upgrading of all solar cell installation warehouses in order to minimize greenhouse gas emissions from electricity consumption and lower electricity costs. The Company installed solar cells for 7 warehouses with a total capacity of 9,317.60 kWh as of 31 December 2023. Consequently, the Company was able to reduce its monthly electricity costs by roughly Baht 4 million / month.

1.2 Transportation and Distribution Service

Revenue: By Product Categories (Unit: million Baht)	3-month period			+/(-)%		Year			% of Total Revenue				
	4/2022	3/2023	4/2023	QoQ	YoY	2022	2023	YoY	4/2022	3/2023	4/2023	2022	2023
1.2.1 Business-to-business (B2B)	300.5	2,040.1	1,899.2	(6.9%)	532.1%	1,193.8	7,890.1	560.9%	19.0%	31.8%	30.1%	20.2%	33.2%
1.2.2 Direct-to-customer (D2C)	-	600.4	594.9	(0.9%)	100.0%	-	2,247.0	100.0%	0.0%	9.4%	9.4%	0.0%	9.5%
1.2.3 Cross Border	23.4	255.9	272.7	6.6%	1063.9%	81.4	862.0	958.6%	1.5%	4.0%	4.3%	1.4%	3.6%
1.2.4 Multimodal	-	205.3	188.6	(8.1%)	100.0%	-	757.0	100.0%	0.0%	3.2%	3.0%	0.0%	3.2%
Total	323.9	3,101.7	2,955.4	(4.7%)	812.4%	1,275.2	11,756.1	821.9%	20.5%	48.3%	46.9%	21.6%	49.5%

Gross Profit: By Product Categories (Unit: million Baht)	3-month period			+/(-)%		Year			% Gross Profit Margin				
	4/2022	3/2023	4/2023	QoQ	YoY	2022	2023	YoY	4/2022	3/2023	4/2023	2022	2023
1.2.1 Business-to-business (B2B)	59.2	104.1	86.6	(16.8%)	46.4%	204.97	459.6	124.2%	19.7%	5.1%	4.6%	17.2%	5.8%
1.2.2 Direct-to-customer (D2C)	-	41.2	38.8	(5.9%)	100.0%	-	170.3	100.0%	-	6.9%	6.5%	-	7.6%
1.2.3 Cross Border	6.5	30.1	43.0	42.8%	558.5%	20.03	109.0	444.2%	27.9%	11.8%	15.8%	24.6%	12.6%
1.2.4 Multimodal	-	30.8	23.7	(23.0%)	100.0%	-	141.4	100.0%	-	15.0%	12.6%	-	18.7%
Total	65.7	206.2	192.1	(6.8%)	192.4%	225.0	880.3	291.2%	20.3%	6.6%	6.5%	17.6%	7.5%

The transport business consists of:

1. Business-to-business (B2B), the transportation of goods that occurs between entrepreneurs and each other.
2. Direct-to-customer (D2C) the transportation of goods from manufacturers or service providers who deliver products directly to customers without going through intermediaries.
3. Cross-border cargo: The transportation of goods between states bordering or transiting to third countries. The revenue in the past cross-border transportation It groups the revenues of cross-border transportation with revenues generated both domestically and internationally which the revenue from the 1st quarter of 2023 of this business group will be charged in terms of cross-border transportation only on the Thai side. As for the overseas revenue, it will be classified in the overseas business group.
4. Multimodal transport is the transportation of goods from origin to destination in international with a combination of multimodal transport.

In Q4/2023 (3-month period), the Company had revenue from transportation and distribution service of Baht 2,955.4 million, decreased by 4.7% QoQ. Its gross profit was Baht 192.1 million, decreased by 6.8% QoQ. Its gross profit margin was 6.5%. This was mostly caused by decreased shipments of industrial services: cement, steel and building materials, chemical and dangerous goods. In the meantime, as a result of the policy of buying coal in advance, the volume of shipments of coal increased compared to the previous quarter. This was mainly due to a decline in coal prices.

For the year 2023, the Company had revenue of Baht 11,756.1 million, increased by 821.9% YoY. Its gross profit was Baht 880.3 million, increased by 291.2% YoY. Its gross profit margin was 7.5%. The significant increase in revenue was resulted from the merger since the beginning of the year. The drop in gross profit margin is being managed for improvement.

Transportation and Distribution Service concentrated on lowering backhaul and multimodal transportation's energy consumption in order to promote sustainable development. The Company presently plans to increase the number of EV trucks in operation. It aims to become a leader in logistics and supply chain by encouraging green logistics. It also focuses on educating transport drivers and agents about the value of operating energy-

efficient delivery vehicles and lowering fuel consumption for eco-driving, which promotes safety and environmental protection.

1.2.1 Business-to-Business (B2B)

In Q4/2023 (3-month period), the Company had revenue of Baht 1,899.2 million, decreased by 6.9% QoQ. Its gross profit was Baht 86.6 million, decreased by 16.8% QoQ. Its gross profit margin as 4.6%. This was due to the fact that the slowdown primarily impacted the construction industry. The demand for cement and building materials consequently declined, which had an impact on the transportation services of important products, such as steel & material, cement & energy, chemicals, packaging, and industrial waste. B2B revenue made up 30.1% of total revenue.

For the year 2023, the Company had revenue of Baht 7,890.1 million, increased by 560.9% YoY. Its gross profit was Baht 459.6 million, increased by 124.2% YoY. Its gross profit margin as 5.8%. The significant increase in revenue was resulted from the merger.

1.2.2 Direct-to-Consumer (D2C)

Transportation services such as Agriculture, E&E and E-Commerce Business, Drop off Business, FMCG & Cold Chain Business, Automotive & Aftersales Service Business, Home Living & White Glove, and Backbone Operation are considered to be Direct-to-Consumer (D2C). In Q4/2023 (3-month period), the Company had revenue of Baht 594.9 million, slightly decreased by 0.9% QoQ. Its gross profit was Baht 38.8 million, decreased by 5.9% QoQ. Its gross profit margin was 6.5%. This was due to the number of cargo trips in the Home Living, Agriculture, and Automotive segments had dropped during the end of the year. For the year 2023, the Company had revenue of Baht 2,247.0 million, increased by 100% YoY. Its gross profit was Baht 170.3 million, increased by 100% YoY. Its gross profit margin was 7.6%. The significant increase in revenue was resulted from the merger.

1.2.3 Cross Border

In Q4/2023 (3-month period), the Company had revenue of Baht 272.7 million, increased by 6.6% QoQ. Its gross profit was Baht 43.0 million, increased by 42.8% QoQ. Its gross profit margin was 15.8%. This was because there was a rise in cross-border shipping services from both current and potential clients. For the year 2023, the Company had revenue of Baht 862.0 million, increased by 958.6% YoY. Its gross profit was Baht 109.0 million, increased by 444.2% YoY. Its gross profit margin was 12.6%. The primary cause was the outcome of the merger. Moreover, the Company signed 2 new contracts in 2H2023, increasing the amount of cross-border services from Thailand to Laos, and Thailand to Cambodia.

1.2.4 Multimodal

In Q4/2023 (3-month period), the Company had revenue of Baht 188.6 million, decreased by 8.1% QoQ. Its gross profit was Baht 23.7 million, decreased by 23.0% QoQ. Its gross profit margin was 12.6%. This was a result of a decline in the amount of bulk product imports. For the year 2023, the Company had revenue of Baht 757.0 million, increased by 100% YoY. Its gross profit was Baht 141.4 million, increased by 100% YoY. Its gross profit margin was 18.7%. This was resulted from the merger.

1.3 Other Logistics Service

Revenue: By Product Categories (Unit: million Baht)	3-month period			+/(-)%		Year			% of Total Revenue				
	4/2022	3/2023	4/2023	QoQ	YoY	2022	2023	YoY	4/2022	3/2023	4/2023	2022	2023
1.3.1 Relocation Service	70.3	100.9	68.0	(32.6%)	(3.3%)	307.0	277.7	(9.5%)	4.4%	1.6%	1.1%	5.2%	1.2%
1.3.2 Self-Storage, Safe Deposit, Art Space and Wine Bank	24.2	28.7	34.3	19.7%	41.7%	78.7	92.5	17.5%	1.5%	0.4%	0.5%	1.3%	0.4%
1.3.3 Record and Information Management	34.6	40.5	39.9	(1.5%)	15.3%	137.1	154.7	12.8%	2.2%	0.6%	0.6%	2.3%	0.7%
1.3.4 Logistics Infrastructure	39.0	135.6	106.4	(21.5%)	172.8%	130.2	480.3	268.9%	2.5%	2.1%	1.7%	2.2%	2.0%
1.3.5 Freight	-	420.8	414.5	(1.5%)	100.0%	-	1,499.2	100.0%	0.0%	6.6%	6.6%	0.0%	6.3%
Total	168.10	726.5	663.1	(37.5%)	226.6%	653.0	2,504.4	289.7%	10.6%	11.3%	10.5%	11.1%	10.6%

Gross Profit: By Product Categories (Unit: million Baht)	3-month period			+/(-)%		Year			% Gross Profit Margin				
	4/2022	3/2023	4/2023	QoQ	YoY	2022	2023	YoY	4/2022	3/2023	4/2023	2022	2023
1.3.1 Relocation Service	17.8	20.9	13.1	(37.2%)	(26.4%)	63.1	55.9	(11.4%)	25.3%	20.7%	19.3%	20.6%	20.1%
1.3.2 Self-Storage, Safe Deposit, Art Space and Wine Bank	6.8	8.9	10.5	17.8%	54.4%	20.2	24.3	20.3%	28.1%	31.1%	30.6%	25.7%	26.3%
1.3.3 Record and Information Management	15.2	19.5	17.8	(8.6%)	17.1%	61.6	68.5	11.2%	43.9%	48.1%	44.6%	44.9%	44.3%
1.3.4 Logistics Infrastructure	4.0	13.1	12.2	(6.7%)	205.0%	6.9	60.2	772.5%	10.3%	9.6%	11.5%	5.3%	12.5%
1.3.5 Freight	-	85.2	90.8	6.6%	100.0%	-	329.2	100.0%	-	20.2%	21.9%	-	22.0%
Total	43.8	147.5	144.4	(2.1%)	229.7%	151.8	538.1	254.5%	26.1%	20.3%	21.8%	23.2%	21.5%

1.3.1 Relocation Service

In Q4/2023 (3-month period), the Company had revenue from relocation service of Baht 68.0 million, comprising of revenue from household moving service of Baht 64.1 million, office moving service of Baht 2.7 million, and fine arts and exhibition items moving service of Baht 1.2 million. Total revenue was decreased by 32.6% QoQ. Its gross profit was Baht 13.1 million, decreased by 37.2% QoQ. Its gross profit margin was 19.3%. This was because there was a low season, and at year's end, there was a drop in both domestic and international relocation services.

For the year 2023, the Company had total revenue of Baht 277.7 million, decreased by 9.5% YoY. Its gross profit was Baht 55.9 million, decreased by 11.4% YoY. Its gross profit margin was 20.1%. This was because of pricing rivalry among businesses, an increase in the number of service suppliers, and a decline in moving house in the year 2023.

1.3.2 Self-Storage, Safe Deposit, Art Space and Wine Storage

The self-storage business formerly known as "JWD Store It" was rebranded as "MeSpace" by the Company in September, 2023. Under the direction of MeSpace Self-Storage Co., Ltd., the brand has been updated to be more consumer-friendly in response to the self-storage market's growth. Currently, this business division operates 9 branches: Sri Kreetta, Siam, Ramintra, Thiam Ruam Mit, Rama 9, Phuket, Ladprao, Pattaya and Bangsue.

In Q4/2023 (3-month period), the Company had revenue of Bath 34.3 million, increased by 19.7% QoQ. Its gross profit was Baht 10.5 million, increased by 17.8% QoQ. Its gross profit margin was 30.6%. For the year 2023, the Company had revenue of Bath 92.5 million, increased by 17.5% YoY. Its gross profit was Baht 24.3 million, increased by 20.3% YoY. Its gross profit margin was 26.3%. As a result of the rebranding, consistently promote various online marketing channels helped motivate more users and encourage customers to use the service accordingly.

1.3.3 Record and Information Management

In Q4/2023 (3-month period), the Company had revenue of Bath 39.9 million, decreased by 1.5% QoQ. Its gross profit was Baht 17.8 million, decreased by 8.6% QoQ. Its gross profit margin was 44.6%. Due to the end-of-year holidays, there was a slight reduction in workload. For the year 2023, the Company had revenue of Bath 154.7 million, increased by 12.8% YoY. Its gross profit was Baht 68.5 million, increased by 11.2% YoY. Its gross profit margin was 44.3%. This resulted from the merger, which gave the Company the opportunity to expand its customer base both from affiliates and non-affiliates to utilize the services.

Quantity (Unit)	3-month period			Year	
	4/2022	3/2023	4/2023	2022	2023
Boxes (Average)	1,215,622	1,375,711	1,379,882	1,142,400	1,350,292
Files (Average)	13,406,015	13,964,633	14,269,681	12,968,837	13,940,090
Scan (Total)	2,815,857	3,012,415	2,985,303	13,583,464	12,394,237

1.3.4 Logistics Infrastructure

Logistics Infrastructure Business consists of barge Terminal, rail yard management, and a terminal management business. In Q4/2023, the Company had revenue of Baht 106.4 million, decreased by 21.5% QoQ. Its gross profit was Baht 12.2 million, decreased by 6.7% QoQ. Its gross profit margin was 11.5%. This was due to Laem Chabang Port Terminal's contract expired at the end of September 2023.

For the year 2023, the Company had revenue of Baht 480.3 million, increased by 268.9% YoY. Its gross profit was Baht 60.2 million, increased by 772.5% YoY. Its gross profit margin was 12.5%. This was resulted from the merger.

1.3.5 Freight

In Q4/2023, the Company had revenue of Baht 414.5 million, slightly decreased by 1.5% QoQ. Its gross profit was Baht 90.8 million, increased by 6.6% QoQ. Its gross profit margin was 21.9%. This was due to the decline in demand for overseas shipping toward the end of the year. For the year 2023, the Company had revenue of Baht 1,499.2 million, increased by 100% YoY. Its gross profit was Baht 329.2 million, increased by 100% YoY. Its gross profit margin was 22.0%. This was resulted from the merger.

1.4 Overseas Logistics

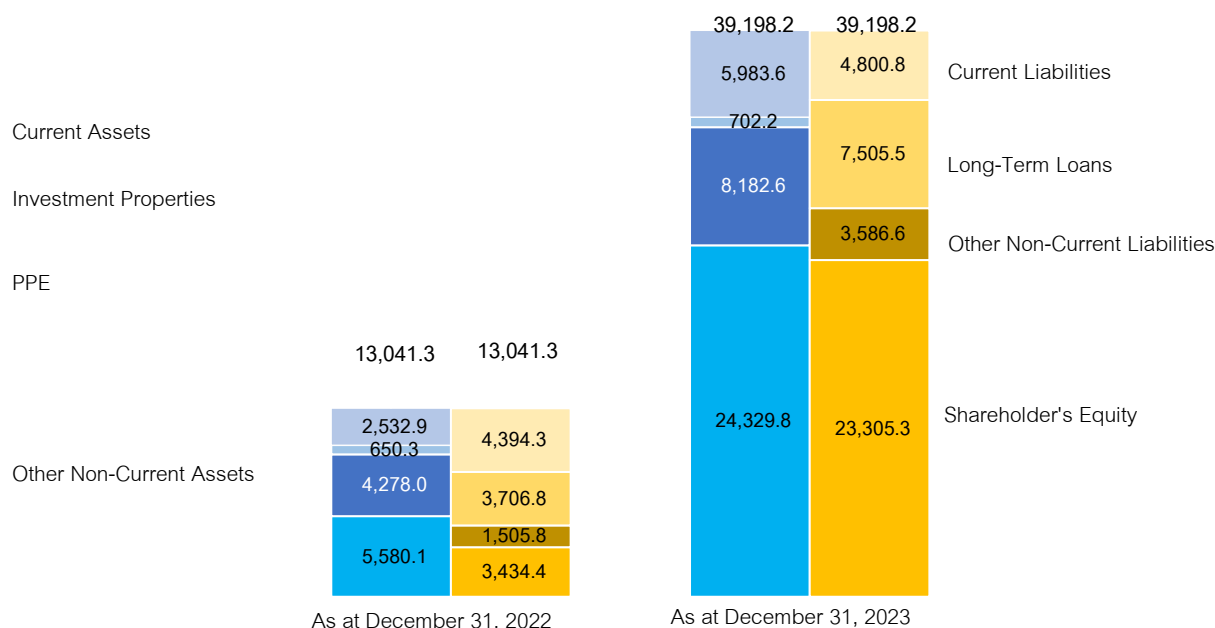
The Company's financial statements consolidate the revenue from integrated logistics management, which includes warehouse, transportation, customs clearance, and ASEAN cross-border connectivity in Laos, Myanmar, Cambodia, and Indonesia. In Q4/2023, the Company had revenue of Baht 750.6 million, decreased by 1.8% QoQ. Its gross profit was Baht 78.5 million, increased by 22.0% QoQ. Its gross profit margin was 10.5%. The disturbances at Myanmar's border had an impact on transportation, which caused a sharp decline in market demand. For the year 2023, the Company had revenue of Baht 2,758.1 million, increased by 1,018.0% YoY. Its gross profit was Baht 227.2 million, increased by 280.3% YoY. Its gross profit margin was 8.2%. This resulted from the merger of the Company's operations with SCGL's, which enabled the Company to generate income from logistical services provided in Philippines, Indonesia, Laos, Myanmar, and Cambodia. With this development, the Company is able to better provide services to customers throughout the ASEAN region and operate more efficiently in the logistics and supply chain business.

2. Other Business

In Q4/2023, the Company had revenue of Baht 898.3 million, comprising of Food Supply Chain of Baht 167.7 million, Sourcing of Baht 612.2 million, and Others Baht 118.4 million, increased by 13.0% QoQ. Its gross profit was Baht 56.9 million, increased by 71.0% QoQ. Its gross profit margin was 6.3%. This was because Food Supply Chain Business provides services in sourcing and procurement food ingredients such as hot pot and others. The high demand in the hot pot restaurant led to a rise in sales at the end of the year. For the year 2023, the Company had revenue of Baht 2,994.2 million, increased by 111.9% YoY. Its gross profit was Baht 168.2 million, increased by 154.1% YoY. Its gross profit margin was 5.6%. This was resulted from the merger. The Sourcing business group had consistently increased its performance overall. Diesel oil, lubricant, and truck tires all contributed to a rise in revenue.



Financial Position Analysis



Assets

As at December 31, 2023, assets were Baht 39,198.2 million, increased by 200.6% from as at December 31, 2022, which were Baht 26,156.9 million. This was mainly resulted from the increase in Goodwill, property, plant and equipment, trade accounts receivable, and Right-of-use assets. The Company's assets mainly consisted of non-current assets, i.e., goodwill, property, plant and equipment, and Right-of-use assets amounted 37.8%, 20.9%, and 8.3% of total assets, respectively.

Current Assets

As at December 31, 2023, current assets were Baht 5,983.6 million, increased by 136.2% from as at December 31, 2022, which were Baht 4,394.3 million. This was due to an increase in trade accounts receivable of Baht 1,977.8 million, other receivables of Baht 648.1 million, and cash and cash equivalents of Baht 567.7 million. This was mainly resulted from the proportion of operating income that increased and consolidation in Q1/2023 due to a higher proportion of income and merger transaction.

Non-Current Assets

As at December 31, 2023, non-current assets were Baht 33,214.6 million, increased by 174.1% from as at December 31, 2022, which were Baht 22,706.2 million. This was due to an increase in goodwill of Baht 14,587.7 million, property, plant, and equipment of Baht 3,904.6 million, and an increase in Right-of-use assets of Baht 1,866.7 million.

Liabilities

As at December 31, 2023, total liabilities were Baht 15,892.9 million, increased by 65.4% from as at December 2022, which were Baht 6,285.9 million. This was mainly from an increase of Debentures, lease liabilities, and trade and other current payables, which resulted from the merger as well as additional debentures issued during Q3/2023.

Current Liabilities

As at December 31, 2023, current liabilities were Baht 4,800.7 million, increased by 9.2% from December 31, 2022, which were Baht 406.5 million. This was mainly from an increase in trade and other current payables of Baht 1,385.2 million. On the other hand, a decrease in current portion of debentures was of Baht 599.8 million as a result of maturing debentures.

Non-Current Liabilities

As at December 31, 2023, non-current liabilities were Baht 11,092.1 million, increased by 112.8% from as at December 31, 2022, which were Baht 5,879.5 million. This was mainly resulted from an increase in debentures issued worth Baht 4 billion, and lease liabilities of Baht 1,647.0 million.

Shareholder's Equity

As at December 31, 2023, shareholder's equity was Baht 23,305.3 million, increased by 578.6 % from as at December 31, 2022, which was Baht 19,870.9 million. This was due to combining the shareholder's equity of SCGL, the premium on ordinary shares, recognition of retained earnings, dividend, non-controlling interests, and other components of shareholders' equity.

Statement of cash flows

(Unit: million Baht)	Year	
	2022	2023
Cash and Cash Equivalents at 1 January	1,421.6	924.0
Net Cash from / (used in) Operating Activities	1,063.8	2,810.6
Net Cash from / (used in) Investing Activities	(1,227.3)	(1,339.2)
Net Cash from / (used in) Financing Activities	(396.8)	(865.0)
Impact of foreign exchange rates	62.7	(38.7)
Net Increase (Decrease) in Cash and Cash Equivalents	(497.6)	567.7
Cash and Cash Equivalents at 31 December	924.0	1,491.7

Cash flows from operating activities

As at 31 December 2023, the Company had net cash received from operating activities of Baht 2,810.6 million, increased by Baht 1,746.8 million, or 164.2%. This was partly due to cash flow from Taxes income

increased by Baht 314.1 million. Cash flow from Depreciation and amortization increased by Baht 795.5 million. This was mainly due to the merger transaction

Cash flows from investing activities

As at 31 December 2023, the Company had net cash used in investing activities of Baht 1,339.2 million, an increase of Baht 111.9 million or 9.1%. This was partly due to an increase in cash payment for acquisition of long-term other investments increased by Baht 745.4 million. Acquisition of subsidiary by swapping shares, net of cash acquired of Baht 366.3 million. Cash payments for acquisition of property, plant and equipment decreased by Baht 273.8 million. Cash payments for short-term loans to related parties decreased by Baht 198.6 million

Cash flows from financing activities

As at 31 December 2023, the Company's had net cash used in financing activities of Baht 865.0 million, increased by Baht 468.2 million, or 118.0% as compared to the previous year. This was partly due to a net increase in Proceeds from short-term loans to related parties increased by Baht 2,546.5 million. Cash repayment of debentures increased by Baht 600 million. Cash payments for Dividends paid to owners of the Company increased by Baht 540.6 million. On the other hand, Proceeds from issuance of debentures increased by Baht 3,500.0 million. Acquisition of subsidiary by swapping shares, net of cash acquired increased by Baht 1,733.3 million.

Key Financial Ratios

	Year	
	2022	2023
Gross Profit Margin (%)	23.1%	13.4%
Net Profit Margin (%)	8.4%	3.2%
Net Profit Margin (exclude extra items) (%)	8.4%	3.8%
Current Ratio (Times)	0.80	1.25
Liability to Equity (Times)	2.17	0.68
Liability to Equity (Times)* * Excluding liabilities from the deployment of accounting standard TFRS16 lease agreements	1.76	0.53
Interest Bearing Debt to Equity (Times)	1.84	0.51
Interest Bearing Debt to Equity (Times)* Excluding liabilities from the deployment of accounting standard TFRS16 lease agreements	1.44	0.36

Note:

Gross Margin	= Gross Profit / Rental income and revenue from rendering of services
Net Profit Margin	= Net profit attributable to owners of the Company / Total revenue
Current Ratio	= Current Asset / Current Liabilities
Liability to Equity (Times)	= Total Liabilities / Shareholder's Equity
Liability to Equity (Times)	= Total Liabilities excluding TFRS16 / Shareholder's Equity
Interest Bearing Debt to Equity (Times)	= Interest Bearing Debt / Shareholder's Equity

Interest Bearing Debt to Equity (Times)

=Interest Bearing Debt excluding TFRS16 / Shareholder's Equity

*Excluding liabilities from the deployment of accounting standard TFRS16 lease agreements