

10 May 2024

No. SINO IR 002/2567

Subject Management Discussion and Analysis for the 1<sup>st</sup> quarter of 2024

To The President

The Stock Exchange of Thailand

We, Sino Corporation Group Public Company Limited (“the company”), are pleased to provide you our management discussion and analysis for the 1<sup>st</sup> quarter of 2024, as follows:

### Business Overview

For the company's operating results in the 1<sup>st</sup> quarter of 2024, total revenue was a THB 778 million, an increase of THB 342 million or 78% compared to the same period of last year. The positive factors from an increase in freight rates due to the impact of the red sea situation, coupled with a rise in the volume of shipment compared to the previous year. This increase was driven by the company's proactive strategy in presenting its services directly to foreign importers. In terms of export volume, the company has achieved goals. According to Datamyne, the company currently ranks 3<sup>rd</sup> among freight forwarders in the world in terms of TEU (twenty-foot equivalent unit) volume for sea cargo transportation on the Thailand-USA route.

Looking ahead to the direction of business operations in 2024, the company aims to foster continued growth by expanding international freight shipment through cooperative initiatives with strategic partners in both Thailand and the ASEAN region. This approach is expected to enhance the company's competitive edge and sustain its growth trajectory.

### Financial Performance

Statement of comprehensive income	Q1/2023	Q4/2023	Q1/2024	YoY		QoQ	
				Change		Change	
Unit : Million Baht							
Service income	430	490	774	344	80%	284	58%
Other income	6	1	4	(2)	(32%)	4	648%
<b>Total revenues</b>	<b>436</b>	<b>490</b>	<b>778</b>	<b>342</b>	<b>78%</b>	<b>288</b>	<b>59%</b>
Cost of services	319	410	687	368	115%	277	67%
Selling expenses	32	26	27	(5)	(15%)	1	5%
Administrative expenses	50	53	53	4	7%	1	1%
<b>Total expenses</b>	<b>401</b>	<b>489</b>	<b>768</b>	<b>367</b>	<b>91%</b>	<b>279</b>	<b>57%</b>
<b>Operating Profit</b>	<b>35</b>	<b>1</b>	<b>10</b>	<b>(25)</b>	<b>(71%)</b>	<b>9</b>	<b>657%</b>
Finance Cost	3	2	4	0	11%	2	118%
<b>Profit before income tax expenses</b>	<b>32</b>	<b>(0.3)</b>	<b>7</b>	<b>(25)</b>	<b>(79%)</b>	<b>7</b>	<b>-</b>
Income tax expenses	8	0.1	1	(6)	(83%)	1	825%
<b>Profit for the period</b>	<b>24</b>	<b>(0.5)</b>	<b>5</b>	<b>(19)</b>	<b>(78%)</b>	<b>6</b>	<b>-</b>

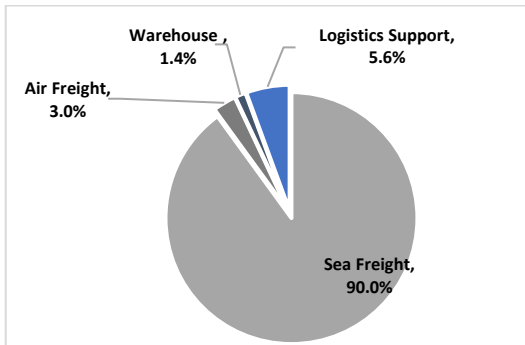
**Financial Performance Analysis**

**Service Income**

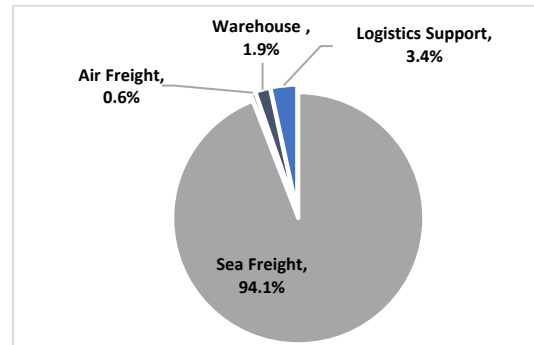
For the 1<sup>st</sup> quarter of 2024, the company had service income of THB 774 million, an increase of THB 344 million or 80% from the same period of 2023. This was mainly due to the increase in the sea freight income from, a rise in freight rate, driven by an increase in freight rates due to the situation in the Red Sea, coupled with an increase in the volume of sea freight shipment compared to the same period in the previous year. This was attributed to the company's proactive strategy in presenting its services directly to foreign importers. For the 1<sup>st</sup> quarter of 2023 – 2024, the service income was divided into the following type of service:

Service Income Unit : Million Baht	Q1/2023	Q4/2023	Q1/2024	YoY		QoQ	
				Change		Change	
▪ Sea Freight Service	387	446	728	341	88%	282	63%
▪ Air Freight Service	13	6	5	(8)	(62%)	(1)	(17%)
▪ Warehouse	6	13	15	9	150%	2	15%
▪ Logistics support Service	24	25	26	2	8%	1	4%
<b>Total Service income</b>	<b>430</b>	<b>490</b>	<b>774</b>	<b>344</b>	<b>80%</b>	<b>284</b>	<b>58%</b>

Service income structure Q1/2023



Service income structure Q1/2024



Remark: Percentage of Service income

**Other income**

In the 1<sup>st</sup> quarter of 2024, the other income was THB 4 million, a decrease of THB 12 million or 32% from the same period of year 2023 mainly due to a reduction in profit from exchange rates.

Cost of services Unit : Million Baht	Q1/2023	Q4/2023	Q1/2024	YoY		QoQ	
				Change		Change	
Service income	430	490	774	344	80%	284	58%
Cost of services	319	410	687	368	115%	277	67%
<b>Gross Profit</b>	<b>111</b>	<b>80</b>	<b>87</b>	<b>(24)</b>	<b>(22%)</b>	<b>8</b>	<b>9%</b>

### Cost of services

In the 1<sup>st</sup> quarter of 2024, the cost of services was THB 687 million, an increase of THB 368 million or 115% from the same period of year 2023 mainly due to higher freight rate.

### Gross Profit

For the 1<sup>st</sup> quarter of 2024, the gross profit was THB 87 million, a decrease of THB 24 million or 22% from the same period of year 2023 mainly due to the rise in the cost and increased competition in the market.

### Selling Expenses

For the 1<sup>st</sup> quarter of 2024, the selling expenses were THB 27 million, a decrease of THB 5 million or 15% from the same period of 2023 mainly due to the increase in salaries, which resulted in increased employee expenses and benefits. Additionally, in the year 67, there was an estimation for setting bonuses to be paid for subsidiary companies.

### Administrative expenses

For the 1<sup>st</sup> quarter of 2024, the administrative expenses were THB 53 million, an increase of THB 4 million or 7% from the same period of 2023. This increase was mainly due to the rise in salaries, which resulted in increased employee expenses and benefits. Additionally, in the year 2024, there was an estimation for setting bonuses to be paid for subsidiary companies.

### Finance cost

For the 1<sup>st</sup> quarter of 2024, the finance cost was THB 4 million, an increase of THB 2 million or 11% from the same period of 2023 mainly due interest expenses incurred from higher lease liabilities.

### Net Profit

For the 1<sup>st</sup> quarter of 2024, the company had a net profit of THB 5 million, a decrease of THB 117 million or 78% from the same period of 2023, Net profit margin decreased from 4.8% in the 1<sup>st</sup> quarter of 2023 from 5.5% to 0.7% in the 1st quarter of 2024. This was mainly due to the increased adjustment in service costs, particularly in terms of freight rates, coupled with the predominantly fixed management expenses that did not vary with revenue. Therefore, the company's net profit decreased.

### Financial Position

Consolidated Statement of Financial Position	December 31, 2023		March 31, 2024		Change	
	THB million	%	THB million	%	THB million	%
Total assets	1,372.85	100.00%	1,401.54	100.00%	28.69	2.09%
Total liabilities	510.72	37.20%	534.07	38.11%	23.35	4.57%
Total shareholder's equity	862.13	62.80%	867.47	61.89%	5.34	0.62%

### Assets

As of December 31, 2023, and March 31, 2024, the Company's total assets were THB 862.13 million and THB 867.47 million, respectively. As of March 31, 2024, the Company's total assets increased by THB 28.69 million or 2.09% compared to the year ended of 2023. The main reasons due to the increase in cash and cash equivalents of THB 64.73 million, (2) trade receivables and other receivables of THB 164.36 million and (3) prepayments for services of THB 31.48 million. This increase was offset by a decrease in other current financial assets of THB 220.02 million and intangible assets of THB 18.15 million.

### Liabilities

As of December 31, 2023, and March 31, 2024, the Company's total liabilities were THB 510.72 million and THB 534.07 million, respectively. As of March 31, 2024, the Company's total liabilities increased by THB 23.35 million or 4.57% compared to the year ended of 2023. The main reasons for this increase were a decrease in trade payables and other payables of THB 130.77 million, and outstanding income tax payable of THB 45.82 million, along with an increase in lease liabilities of THB 70.95 million.

### Shareholder's equity

As of December 31, 2023, and March 31, 2024, the Company's total shareholder's equity was THB 862.14 million and THB 867.47 million, respectively. As of March 31, 2024, the Company's total shareholder's equity increased by THB 5.34 million or 0.62% compared to the year ended of 2023. The primary reason is the funding from the initial public offering in the Stock Exchange of Thailand of THB 324.75 million from an increase of retained earnings.

Sincerely yours

*-Mr. Nanmanus Witthayasakpant-*

(Mr. Nanmanus Witthayasakpant)

Chief Executive Officer