



Date 7 May 2024

Subject Discussion and Analysis of the Company's Performance for the Interim Financial Statements of the Three-Month Period ending 31 March 2024

To President
The Stock Exchange of Thailand

Enclosures Management Discussion and Analysis for the Company's Performance for the Interim Financial Statements of the Three-Month Period ending 31 March 2024 in Thai and English, one copy each.

Asia Network International Public Company Limited (the "Company") would like to submit the Interim financial statements of the three-month period ending 31 March 2024 which were reviewed by certified public accountants to the Stock Exchange of Thailand (the "SET").

In this regard, the Company would like to explain the rationale behind its performance for the three-month period ending 31 March 2024 with details as per attached.

Please be informed accordingly

Respectfully yours,

Mr. Chairat Suwan
Chief Financial Officer

**Management Discussion and Analysis of the Company's Performance for the Three-Month Period ending
31 March 2024 Financial Statements**

Key Highlight

In the first quarter of 2024, the Company demonstrated robust financial performance, reporting a 12.0% year-on-year increase in revenue, totaling THB 1,526.8 mm, bolstered by strategic new GSA contracts in China amidst increased competition from the increasing flights in service, and hence, increased cargo space availability. As a result, freight rates were affected, and profitability decreased slightly. However, with the Company being a Regional Player in the industry providing services from various regional hubs, this made it possible for the Company to increase transportation volume in Q1/2024 to 29,719 tonnes; an increase of more than 20.9% from the previous year. Additionally, with the Company's effective management of administrative expenses, resulting in a slight decrease in net profit of only 13.7% from the same period last year. The total net profit reported for Q1/2024 is THB 163.0 mm.

The Company's business direction still focuses on increasing the number of GSA service contracts and increasing the countries and locations of service. In Q1/2024, the Company was able to secure 1 additional contract and have targeted to secure 4-6 GSA contracts within this year. The company intend to expand its service to other countries such as Japan, India, and/or South Korea.

Performance Analysis

Items / Unit : THB mm	Q1/2023	Q1/2024	Changes (%)
Revenue from services	1,362.6	1,526.8	12.0
Other income	7.2	5.0	(31.1)
Total revenue	1,369.9	1,531.8	11.8
Total expenses (cost of services, selling and administrative expenses)	(1,071.8)	(1,329.2)	24.0
Finance costs	(12.3)	(15.3)	24.2
Share of profits from Asso & JVs	1.1	2.2	99.7
Profit for the period	198.3	174.0	(12.2)
Profit for Parent Company	188.9	163.0	(13.7)

Revenue from Services

For the three-month period ending 31 March 2023 and 2024, the Company's revenue from services is THB 1,362.6 mm and THB 1,526.8 mm, respectively.

Despite the escalating competition as airlines resume passenger services post-COVID-19, our revenue from services demonstrated substantial growth. In the three-month period ending 31 March 2024, the Company saw an increase of THB 164.2 mm or 12.0% year-on-year, driven largely by the new GSA contracts in China which the Company was granted in the fourth quarter of 2023. The revenue growth underscores our strategic initiatives and our adaptability in challenging market conditions.

Net Profit

Under the overall economic situation and freight rates decreased by more than 30 percent compared to the same period last year, reducing the Company's profitability. However, the Company continues to generate growth in revenue from the increased cargo volumes, together with its commitment to manage expenses to be similar to the same period of the previous year. As a result, the company's net profit in the first quarter of 2024 decreased slightly by 13.7 percent to 163.0 million baht.

Financial Position Analysis

Items / Unit: THB mm	As of 31 Dec 2023	As of 31 Mar 2024	Changes (%)
Total assets	10,279.9	10,202.5	(0.8)
Total liabilities	2,609.6	2,360.5	(9.5)
Total equity	7,670.3	7,842.0	2.2

Total Assets

As of 31 March 2024, the Company had total assets of THB 10,202.5 mm. These assets primarily comprise of goodwill, cash and cash equivalents, trade and other receivables, and intangible assets. ฿

The slight decrease of THB 77.4 mm or 0.8% during the three-month period ending 31 March 2024 is primarily attributable to decreases in trade and other receivables and intangible assets, with no impairment recorded on goodwill.

Total Liabilities

As of 31 March 2024, the Company had total liabilities of THB 2,360.5 mm. These liabilities mainly include trade and other payables and long-term loans from financial institutions.

The decrease of THB 249.1 mm or 9.5% during the three-month period ending 31 March 2024 primarily resulted from repayments of loans. As of 31 March 2024, outstanding payables to the Seller in relation to the acquisition of Asia GSA (M) remained at SGD 24.25 mm, or equivalent to THB 655.3 mm. There were no repayments made during this three-month period.

Total Equity

As of 31 March 2024, the Company had total equity of THB 7,842.0 mm. The key components include authorized share capital, share premium, and retained earnings. The slight increase reflects the net profit attributable to Q1/2024 period.

Business Overview

The Company operates as Cargo General Sales and Services Agent or Cargo GSA (“GSA”) for over 20 reputable airlines in 8 countries and special administrative region around Southeast Asia consisting of Thailand, Singapore, Vietnam, Hong Kong Special Administrative Region of the People's Republic of China and People's Republic of China, Malaysia, Cambodia, and Myanmar. The Company also operates Freight Management services to its partners who operates the GSA businesses in Indonesia and Philippines. Furthermore, the Company provides other services, including human resources, to serve the ground handling operators at Changi Airport in Singapore. The Company has invested in a joint venture, ANA-SG, who operates an express business in Singapore. However, such investment is not considered as the Company's core business, and the revenue is recognized in the form of share profit from the investment in the joint venture.