14 November 2024

No. SINO IR 004/2567

Subject Management Discussion and Analysis for the 3rd quarter of 2024 and the 9 months-period of 2024

To The President

The Stock Exchange of Thailand

We, Sino Logistics Corporation Public Company Limited ("the company"), are pleased to provide you our management discussion and analysis for the 3rd quarter of 2024 and the 9 months-period of 2024, as follows:

Business Overview

In the 3rd quarter of 2024, the company achieved record quarterly revenue of THB 1,375 million, marking an increase of 186% compared to the same period last year. This growth was primarily driven by strong demand for Sea Freight, particularly on U.S. and European routes, as well as the company's regional expansion across ASEAN. Consequently, the company has risen to the second-largest operator in terms of export container volume (TEUs) among freight forwarders in the world for Thailand-USA route. Net profit reached THB 37 million, representing a 285% year-on-year increase, despite challenges from the rapid appreciation of the Thai Baht. For the first nine months of 2024, total revenue was THB 2,884 million, an increase of 120% from the previous year, with net profit at THB 55 million.

Looking ahead to Q4 2024, the Company anticipates continued strong demand for both sea and air freight services, driven by pre-holiday imports. Additionally, the Company remains committed to expanding its ASEAN market presence. The Board of Directors recently approved a joint venture to establish a new office in Vietnam to further support cross-border logistics, following the successful opening of the Malaysia office in Q2. This expansion will enhance the Company's ability to meet regional customer demands and strengthen its competitive position, supporting sustainable growth in the future.

Financial Performance

Statement of comprehensive income Unit : Million Baht	Q3/2023	Q2/2024	Q3/2024	YoY Change		QoQ Change	
Service income	480	735	1,375	895	186%	640	87%
Other income	1	1	1	0	0%	0	0%
Total revenues	**481**	**736**	**1,376**	**895**	**186%**	**640**	**87%**
Cost of services	391	638	1,188	797	204%	550	86%
Selling expenses	22	28	47	25	114%	19	68%
Administrative expenses	53	50	52	(1)	(2%)	2	4%
Loss on Exchange	2	0	40	38	1900%	-	-
Total expenses	**468**	**716**	**1,326**	**858**	**183%**	**610**	**85%**
Operating Profit	13	20	50	37	285%	30	150%
Share of profit from investment in Joint Venture	0	0	0.04	0.04	-	-	-
Finance Cost	4	4	3	(1)	(25%)	(1)	(25%)
Profit before income tax expenses	**9**	**16**	**47**	**38**	**422%**	**31**	**194%**
Income tax expenses	2	3	9	7	350%	6	200%
Profit for the period	**7**	**13**	**37**	**30**	**429%**	**24**	**185%**

Statement of comprehensive income Unit : Million Baht	9M/2023	9M/2024	YoY Change	
Service income	1,310	2,884	1,574	120%
Other income	10	5	(5)	(50%)
Total revenues	**1,320**	**2,889**	**1,569**	**119%**
Cost of services	1,013	2,512	1,499	148%
Selling expenses	79	102	23	29%
Administrative expenses	143	155	12	8%
Loss on Exchange	5	40	35	700%
Total expenses	**1,240**	**2,809**	**1,569**	**127%**
Operating Profit	**80**	**80**	**0**	**0%**
Share of profit from investment in Joint Venture	0	0.04	0.04	0%
Finance Cost	12	10	(2)	(17%)
Profit before income tax expenses	**68**	**69**	**1**	**1%**
Income tax expenses	15	14	(1)	(7%)
Profit for the period	**53**	**55**	**2**	**4%**

Financial Performance Analysis

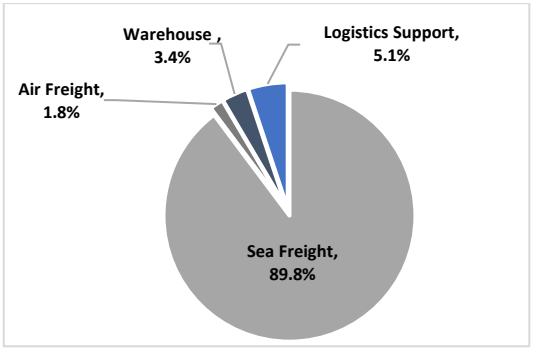
Service Income

For the 3rd quarter of 2024, the company had service income of THB 1,375 million, an increase of THB 895 million or 186% from the same period of 2023, and for the 9 months-period of 2024 , the service income were THB 2,884 Million, an increase of THB 1,574 Million or 120% form 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 from exporters preparing for the year-end holiday season, and also the company's proactive strategy in presenting its services directly to foreign importers. For the 3rd quarter and the 9 months-period of 2023 – 2024, the service income was divided into the following type of service:

Service Income Unit : Million Baht	Q3/2023	Q2/2024	Q3/2024	YoY Change		QoQ Change	
■ Sea Freight Service	426	704	1,336	910	214%	632	90%
■ Air Freight Service	4	3	4	0	0%	1	33%
■ Warehouse	27	3	9	(18)	(67%)	6	200%
■ Logistics support Service	23	25	26	3	13%	1	4%
Total Service income	**480**	**735**	**1,375**	**895**	**186%**	**640**	**87%**

Service Income Unit : Million Baht	9M/2023	9M/2024	YoY Change	
■ Sea Freight Service	1,176	2,768	1,592	135%
■ Air Freight Service	23	12	(11)	(48%)
■ Warehouse	44	27	(17)	(39%)
■ Logistics support Service	67	77	10	15%
Total Service income	1,310	2,884	1,574	120%

Service income structure 9M/2023



Service income structure 9M/2024

Remark: Percentage of Service income

Other income

In the 3rd quarter of 2024, the other income was THB 1 million, the same as the same period of last year, and for the 9 months-period of 2024, the other income was THB 10 million, a decrease of THB 5 million or 50%.

Cost of services Unit : Million Baht	Q3/2023	Q2/2024	Q3/2024	YoY Change		QoQ Change	
Service income	480	735	1,375	895	186%	640	87%
Cost of services	391	638	1,188	797	204%	550	86%
Gross Profit	89	97	187	98	110%	90	93%

Cost of services Unit : Million Baht	9M/2023	9M/2024	YoY Change	
Service income	1,310	2,884	1,574	120%
Cost of services	1,013	2,512	1,500	148%
Gross Profit	298	372	74	25%

Cost of services

In the 3rd quarter of 2024, the cost of services was THB 1,188 million, an increase of THB 797 million or 204% from the same period of year 2023, and for the 9 months-period of 2024, the cost of services were THB 2,512 million, an increase of THB 1,500 million or 148% from the same period of 2023 mainly due to higher freight rate.

Gross Profit

For the 3rd quarter of 2024, the gross profit was THB 187 million, an increase of THB 98 million or 110% from the same period of year 2023 , and for the 9 months-period of 2024, the gross profit was THB 372 million, an increase of THB 74 million or 25% from the same period of 2023, varying according to the increase in service revenue.

Selling Expenses

For the 3rd quarter of 2024, the selling expenses were THB 47 million, an increase of THB 25 million or 114% from the same period of 2023, and for the 9 months-period of 2024, the selling expenses were THB 102 million, an increase of THB 23 million or 29% from the same period of 2023 mainly due to increased commission payments to employees and sales agents, which rose in line with the growth in service revenue.

Administrative expenses

For the 3rd quarter of 2024, the administrative expenses were THB 52 million, a decrease of THB 1 million or 2% from the same period of 2023, and for the 9 months-period of 2024, the administrative expenses were THB 155 million, an increase of THB 12 million or 8% from the same period of 2023. This increase was mainly due to financial advisory fees for business due diligence and travel expenses incurred for meetings with customers and agents abroad.

Finance cost

For the 3rd quarter of 2024, the finance cost was THB 3 million, a decrease of THB 1 million or 25% from the same period of 2023, and for the 9 months-period of 2024, the finance cost was THB 10 million, a decrease of THB 2 million or 25% from the same period of 2023. This decrease was primarily due to the Company's full repayment of loans to financial institutions in 2023, along with the expiration of a long-term lease agreement (right to use property) in 2024, resulting in reduced interest expenses.

Net Profit

For the 3rd quarter of 2024, the company had a net profit of THB 37 million, an increase of THB 30 million or 429% from the same period of 2023, Net profit margin increased of 1.2% from 1.5% in the 3rd quarter of 2023 to 2.7% in the 3rd quarter of 2024. And for the 9 months-period of 2024, the company had a net profit of THB 55 million, an increase of THB 2 million or 4% from the same period last year, Net profit margin decreased of 2.1% from 4.0% in the 9 months-period of 2023 to 1.9% in the 9 months-period of 2024. This decrease was primarily due to the increase in service costs, particularly higher freight rates, and intensified price competition.

In addition, in Q3 2024, the appreciation of the Thai baht impacted the company, resulting in an unrealized exchange loss of THB 40 million, as per accounting standards. This unrealized loss refers to a loss that has not yet occurred in cash but is recognized as an adjustment reflecting changes in the value of the currency during the reporting period. However, if the Thai baht depreciates in Q4, the unrealized exchange loss recognized in Q3 may reverse and turn into a gain in the subsequent quarter.

Financial Position

Consolidated Statement of Financial Position	December 31, 2023		September 30, 2024		Change	
	THB million	%	THB million	%	THB million	%
Total assets	1,373	100%	1,387	100.00%	14	1%
Total liabilities	511	37%	499	36%	-12	-2%
Total shareholder's equity	862	63%	888	64%	26	3%

Assets

As of December 31, 2023 and September 30, 2024, the Company had total assets of THB 1,373 million and THB 1,387 million, respectively, an increase of THB 14 million or 1% from the end of 2023, primarily due to an increase in (1) cash and cash equivalents of THB 209 million, (2) trade and other receivables of THB 332 million, and (3) advance payment for services of THB 30 million, as well as a decrease in other current financial assets of THB 523 million.

Liabilities

As of December 31, 2023 and September 30, 2024, the Company had total liabilities of THB 511 million and THB 499 million, respectively, a decrease of THB 12 million or 2% from the end of 2023, primarily due to: A decrease of THB 71 million in lease liabilities, including an increase of THB 31 million in trade and other payables and THB 38 million in deferred revenue.

Shareholder's equity

As of December 31, 2023 and September 30, 2024, the Company had total shareholders' equity of THB 862 million and THB 888 million, respectively, an increase of THB 26 million or 3% from the end of 2023, primarily due to an increase in net profit.

Sincerely yours

(Mr. Nanmanus Witthayasakpant)

Chief Executive Officer