25 February 2025

No. SINO IR 001/2568

Subject Management Discussion and Analysis for the 4th quarter of 2024 and the year ended 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 4th quarter of 2024 and the year ended 2024, as follows:

Business Overview

In 2024, the Company recorded total revenue of THB 3,700 million, representing a 104% increase from the previous year. This significant growth was driven by a substantial expansion in Sea Freight volume, primarily due to rising freight rates following geopolitical instability in the Red Sea. Additionally, the Company's strategic market expansion in foreign regions contributed to increased business opportunities. Throughout the year, the Company successfully diversified its customer base and service offerings, ensuring sustained revenue and profit growth.

In the 4th quarter of 2024, the Company achieved total revenue of THB 812 million. Although this represents a decline from the third quarter due to the pre-holiday shipment acceleration in Q3, the Sea Freight segment remained strong. The Company posted a net profit of THB 32 million, with an improved net profit margin compared to the previous quarter, reflecting effective cost management.

Furthermore, the Company expanded its service network and customer base by opening new offices in Malaysia and Vietnam, reinforcing its presence in the ASEAN region. These developments strengthen the company's market position and enhance its ability to serve international exporters more effectively.

Financial Performance

Statement of comprehensive income Unit : Million Baht	Q4/2023	Q3/2024	Q4/2024	YoY Change		QoQ Change	
Service income	490	1,375	811	321	66%	(565)	(41%)
Other income	0	0	1	0	58%	1	1,158%
Total revenues	**490**	**1,375**	**812**	**321**	**66%**	**(564)**	**(41%)**
Cost of services	410	1,187	698	288	70%	(489)	(41%)
Selling expenses	26	47	40	14	52%	(7)	(15%)
Administrative expenses	51	52	52	0	1%	0	0%
Loss (Gain) on Exchange	1	40	(18)	(19)	(1,408%)	(58)	(145%)
Total expenses	**489**	**1,326**	**771**	**282**	**58%**	**(555)**	**(42%)**
Operating Profit	**1**	**50**	**40**	**39**	**2,870%**	**(9)**	**(18%)**
Share of profit from investment in Joint Venture	0	0	1	1	-	1	1,131%
Finance Income	2	0	1	(1)	(40%)	1	-
Finance Cost	4	3	2	2	(44%)	1	(31%)
Profit before income tax expenses	**0**	**46**	**40**	**41**	**-**	**(6)**	**(14%)**
Income tax expenses	0	9	8	8	5,525%	1	(15%)
Profit for the period	**(0.47)**	**37**	**32**	**33**	**-**	**(5)**	**(13%)**

Statement of comprehensive income Unit : Million Baht	2023	2024	YoY Change	
Service income	1,800	3,695	1,895	105%
Other income	10	5	(5)	(48%)
Total revenues	**1,810**	**3,700**	**1,890**	**104%**
Cost of services	1,423	3,209	1,787	126%
Selling expenses	105	142	37	36%
Administrative expenses	195	207	12	6%
Loss on Exchange	7	22	15	221%
Total expenses	**1,729**	**3,580**	**1,851**	**107%**
Operating Profit	**81**	**120**	39	48%
Share of profit from investment in Joint Venture	0	1	1	1
Finance Income	2	1	(1)	(40%)
Finance Cost	16	13	(3)	(18%)
Profit before income tax expenses	**68**	**109**	**41**	**61%**
Income tax expenses	15	22	6	42%
Profit for the period	**53**	**88**	**35**	**66%**

Financial Performance Analysis

Service Income

In the 4th quarter of 2024, the Company generated service income of THB 811 million, an increase of THB 321 million or 66% compared to the same period in the previous year. However, compared to the 3rd quarter of 2024, service revenue declined by THB 564 million or 41%. This decline was primarily due to the slowdown in sea freight shipments following the sharp rise in freight rates in Q3.

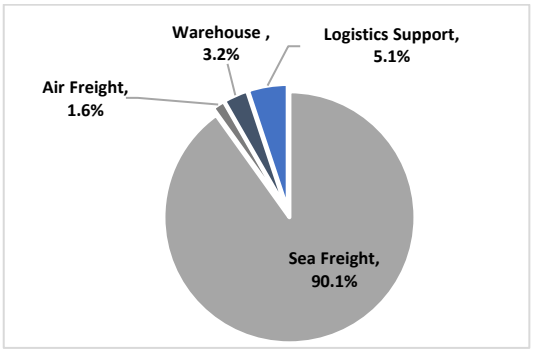
For the full year of 2024, the Company recorded service revenue of THB 3,695 million, an increase of THB 1,895 million or 105% from the previous year. The primary driver of this growth was the increase in international sea freight forwarding revenue, which was supported by rising freight rates resulting from the Red Sea crisis. Additionally, the Company experienced higher sea freight shipment volumes, driven by pre-holiday export acceleration and a proactive strategy in expanding direct service offerings to overseas importers.

For the 4th quarter and the full years of 2023 and 2024, the Company's service revenue was categorized as follows:

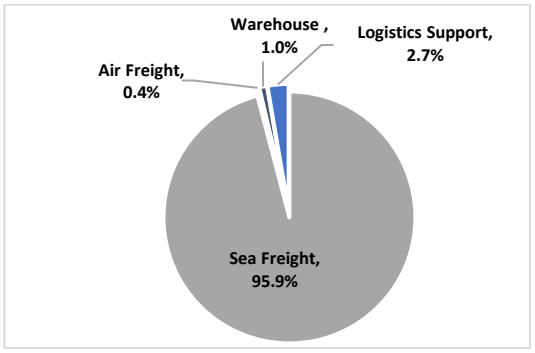
Service Income Unit : Million Baht	Q4/2023	Q3/2024	Q4/2024	YoY Change		QoQ Change	
■ Sea Freight Service	446	1,336	774	328	74%	(562)	(42%)
■ Air Freight Service	6	4	4	(2)	(33%)	0	0%
■ Warehouse	13	9	9	(4)	(31%)	0	0%
■ Logistics support Service	25	26	24	(1)	(4%)	(2)	(8%)
Total Service income	**490**	**1,375**	**811**	**321**	**66%**	**(564)**	**(41%)**

Service Income Unit : Million Baht	Year Ended Period		YoY	
	2023	2024	Change	
■ Sea Freight Service	1,622	3,542	1920	118%
■ Air Freight Service	29	16	(13)	(45%)
■ Warehouse	57	36	(21)	(37%)
■ Logistics support Service	92	101	9	10%
Total Service income	1,800	3,695	1,895	105%

Service income structure 2023



Service income structure 2024



Remark: Percentage of Service income

Other Income

In the 4th quarter of 2024, the other income was THB 1 million, an increase of THB 1 million compared to the same period in the previous year. For the full year 2024, the Company reported total other income of THB 5 million, representing a decline of THB 5 million or 48% from the previous year. This decrease was primarily due to the reduction in non-core operating income

Cost of services Unit : Million Baht	Q4/2023	Q3/2024	Q4/2024	YoY Change		QoQ Change	
Service income	490	1,375	811	321	66%	(565)	(41%)
Cost of services	410	1,187	698	288	70%	(489)	(41%)
Gross Profit	80	188	113	33	42%	(75)	(40%)
Gross Profit Margin	16%	14%	14%				

Cost of services Unit : Million Baht	Year Ended Period		YoY	
	2023	2024	Change	
Service income	1,800	3,695	1,895	105%
Cost of services	1,423	3,209	1,787	126%
Gross Profit	377	485	108	29%
Gross Profit Margin	21%	13%		

Cost of Services

In the 4th quarter of 2024, the cost of services was THB 698 million, an increase of THB 288 million or 70% from the same period in the previous year. This increase was in line with the growth in service revenue and was primarily driven by higher freight costs in the Sea Freight segment.

For the full year of 2024, the Company's cost of services amounted to THB 3,209 million, an increase of THB 1,787 million or 126% from the prior year. This growth exceeded the revenue increase of 105%, mainly due to a significant rise in freight costs during certain periods of the year. The surge in shipment volume during Q3 and early 2024 also contributed to the higher overall service costs, despite the slowdown in Q4.

Gross Profit

In the 4th quarter of 2024, the gross profit was THB 113 million, an increase of THB 33 million or 42% from the same period in the previous year. For the full year of 2024, the Company reported a gross profit of THB 485 million, an increase of THB 108 million or 29% from the prior year. While this growth aligned with the increase in service revenue, the gross profit margin declined compared to 2023 due to intensified market competition, which impacted the Company's ability to maintain higher margins during certain periods of the year.

Selling Expenses

In the 4th quarter of 2024, the selling expenses were THB 40 million, an increase of THB 14 million or 52% from the same period in the previous year. For the full year 2024, selling expenses were THB 142 million, an increase of THB 37 million or 36% from the prior year. The increase was primarily driven by higher employee and sales agent commissions, which are variable costs tied to the growth in service revenue.

Administrative Expenses

In the 4th quarter of 2024, the administrative expenses were THB 52 million, an increase of THB 1 million or 1% from the same period in the previous year. For the full year 2024, administrative expenses reached THB 207 million, reflecting an increase of THB 12 million or 6% from the previous year. The rise was mainly attributed to financial advisory and project management costs associated with business review and strategic planning, as well as travel expenses for client and agent meetings abroad to support customer base expansion in key markets. The relatively modest increase in Q4 administrative expenses reflects the Company's effective cost control measures.

Finance Costs

In the 4th quarter of 2024, the finance costs were THB 1 million, a decrease of THB 1 million or 48% from the same period in the previous year. For the full year 2024, finance costs were THB 11 million, a decrease by THB 2 million or 15% from the prior year. This decrease was primarily due to the full repayment of loans from financial institutions in 2023 and the expiration of long-term lease agreements (right-of-use assets) during 2024, resulting in reduced interest expenses.

Net Profit and Net Profit Margin

In the fourth quarter of 2024, the Company reported a net profit of THB 32 million, an increase of THB 33 million compared to the same period in the previous year, resulting in a net profit margin of 4.0%. This reflects the Company's ability to sustain profit growth despite rising costs, particularly in freight expenses. Effective cost management also contributed to the improved profitability.

For the full year of 2024, the Company achieved a net profit of THB 88 million, an increase of THB 35 million or 66% from the previous year. However, the net profit margin declined from 2.9% in 2023 to 2.4% in 2024 due to:

- **Higher freight costs**, which significantly impacted net profit margin, particularly in the Sea Freight segment.
- **Intensified price competition**, requiring the Company to implement competitive pricing strategies, leading to a slight margin contraction.
- **Reduced foreign exchange losses in Q4**, which supported overall profitability compared to the previous quarter.

Impact of Foreign Exchange Rates

In the third quarter of 2024, the Company was affected by the appreciation of the Thai Baht, resulting in an unrealized foreign exchange loss of THB 40 million. However, in the fourth quarter, the Thai Baht partially depreciated, allowing the Company to record a net foreign exchange gain of THB 18 million, which offset prior losses and improved overall earnings.

For the full year of 2024, the Company incurred a total foreign exchange loss of THB 21 million, up from THB 7 million in 2023, primarily due to:

- **Currency volatility throughout the year**, especially in the first half when the Thai Baht appreciated rapidly, leading to increased foreign exchange losses.
- **Significant losses in Q3**, partially recovered by gains in Q4.

Although the Company was able to reverse some losses in Q4, currency fluctuations remain a critical risk factor affecting international logistics businesses and may impact future profitability. To mitigate these risks, the Company actively manages foreign exchange exposure using **hedging strategies** such as forward contracts and balancing revenue and cost structures across currencies. Additionally, the Company closely monitors Thai Baht trends to align financial strategies accordingly.

Financial Position

Consolidated Statement of Financial Position	December 31, 2023		December 31, 2024		Change	
	THB million	%	THB million	%	THB million	%
Total Assets	1,373	100%	1,436	100%	63	5%
Total Liabilities	511	37%	517	36%	7	1%
Total Shareholder's Equity	862	63%	919	64%	57	7%

Assets

As of December 31, 2023, and December 31, 2024, the Company had total assets of THB 1,373 million and THB 1,436 million, respectively, an increase of THB 63 million or 5% from the end of 2023. This increase was primarily driven by (1) an increase in cash and cash equivalents by THB 171 million, (2) an increase in trade and other receivables by THB 190 million, and (3) an overall increase in current assets by THB 152 million. Meanwhile, non-current assets decreased by THB 88 million. The Company has improved cash flow management, supported by business expansion and higher transaction volumes, which reflect its ability to grow and optimize asset structure efficiently.

Liabilities

As of December 31, 2023, and December 31, 2024, the Company's total liabilities were THB 511 million and THB 517 million, respectively, an increase of THB 7 million or 1% from the end of 2023. The primary reasons for this change include (1) an increase in current liabilities by THB 80 million, partially due to a rise in trade payables driven by business expansion and an increase in deferred revenue by THB 98 million, and (2) a 44% decrease in non-current liabilities, primarily from a reduction in lease liabilities by THB 71 million.

Shareholders' Equity

As of December 31, 2023, and December 31, 2024, the Company's total shareholders' equity amounted to THB 862 million and THB 919 million, respectively, an increase of THB 57 million or 7% from the previous year. This increase was primarily attributed to retained earnings growth from improved financial performance.

Outlook for 2025

In 2025, the Company plans to expand its service network and customer base by establishing new offices in additional ASEAN countries. This expansion aims to support the growing demand for logistics services in the region and strengthen the Company's presence in key international markets. Additionally, the Company will focus on introducing higher-margin services such as supply chain management and integrated logistics solutions to mitigate risks associated with freight rate volatility. Furthermore, the Company intends to leverage technology to enhance operational efficiency and improve service offerings for its customers.

Sincerely yours

(Mr. Nanmanus Witthayasakpant)

Chief Executive Officer