

9 May 2025

No. SINO IR 002/2025

Subject Management Discussion and Analysis for the 1st quarter 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 1st quarter of 2024, as follows:

Business Overview

In the 1st quarter of 2025, the Company recorded total revenue of THB 819 million, a 5% increase from the same period of previous year and a 1% increase from the 4th quarter of 2024. Despite facing global economic volatility and geopolitical uncertainties, the Company maintained steady revenue growth, driven by the strength of its core Sea Freight business, which accounted for 94% of total revenue.

The Sea Freight segment continued to perform well, generating revenue of THB 778 million, an increase of 7% compared to the same period of last year. Meanwhile, the logistics support segment also showed outstanding growth, with a 21% increase in revenue, driven by expanding demand for warehousing and domestic transportation services.

In terms of profitability, the Company maintained a gross profit margin of 14%, unchanged from the previous quarter and improved from 11% in the same period last year. This improvement was the result of more efficient cost management, including freight cost and internal operations. As a result, the Company achieved a net profit of THB 27 million in the 1st quarter of 2025, which included a one-time gain from the sale of non-core land assets.

The Company continues to enhance service offerings to provide end-to-end logistics solutions for both domestic and international clients. And aims to expand strategic partnerships to unlock new business opportunities and strengthen long-term competitiveness.

Financial Performance

Statement of comprehensive income Unit : Million Baht	Q1/2024	Q4/2024	Q1/2025	YoY		QoQ	
				Change		Change	
Service income	774	811	808	34	4%	(3)	0%
Other income	4	1	12	8	200%	11	1,100%
Total revenues	778	812	819	41	5%	7	1%
Cost of services	687	698	693	6	1%	(5)	(1%)
Selling expenses	28	40	36	8	33%	(4)	(10%)
Administrative expenses	53	52	55	2	4%	3	6%
Loss (Gain) on Exchange		(18)	-				
Total expenses	768	772	784	16	2%	12	2%
Operating Profit	10	40	35	25	250%	(5)	(13%)
Share of profit from investment in Joint Venture		1	0	0		(1)	(100%)
Finance Income		1	0	0		(1)	(100%)
Finance Cost	4	2	2	-2	-50%	0	0%
Profit before income tax expenses	7	40	33	26	371%	(7)	(18%)
Income tax expenses	1	8	6	5	600%	(1)	(13%)
Profit for the period	5	32	27	22	440%	(5)	(16%)

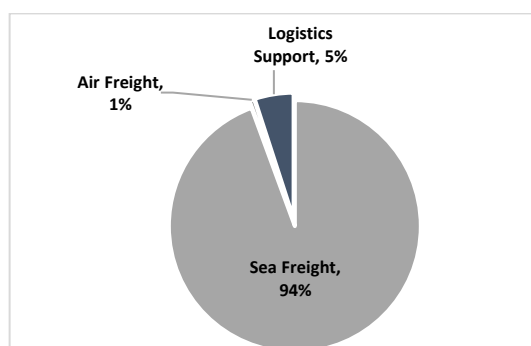
Financial Performance Analysis

Service Income

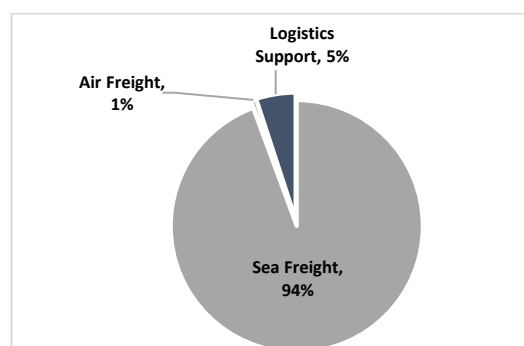
For the 1st quarter of 2025, the company had service income of THB 808 million, an increase of THB 34 million or 4% from the same period of 2024. This was mainly due to the strong performance of the Sea Freight business, supported by sustained demand for cargo transportation in key industries, as well as the Company's ability to retain its existing customer base while continuously expanding the presence in international markets. For the 1st quarter of 2024 – 2025, the service income was divided into the following type of service:

Service Income	Q1/2024	Q4/2024	Q1/2025	YoY		QoQ	
Unit : Million Baht				Change		Change	
■ Sea Freight Service	730	777	756	48	7%	(1)	0%
■ Air Freight Service	5	4	5	0	0%	1	25%
■ Logistics support Service	39	30	47	8	21%	17	57%
Total Service income	774	811	808	56	7%	17	2%

Service income structure Q1/2024



Service income structure Q1/2025



Remark:(1) Percentage of Service income

Other income

In the 1st quarter of 2025, the other income was THB 12 million, an increase of THB 8 million or 200% from the same period of 2024. And increased by THB 11 million from the previous quarter, which had other income of THB 1 million. The significant increase was primarily due to the recognition of a one-time gain of THB 8 million from the sale of land, which was a non-recurring item and not related to the Company's core operating activities.

However, excluding this one-time item, regular other income—such as interest income and foreign exchange gains—remained relatively stable compared to previous periods, reflecting the Company's effective capital and liquidity management.

Cost of services	Q1/2024	Q4/2024	Q1/2025	YoY		QoQ	
Unit : Million Baht				Change		Change	
Service income	774	811	808	34	4%	(3)	0%
Cost of services	687	698	693	6	1%	(5)	(1%)
Gross Profit	87	113	115	28	31%	2	2%
Gross Profit Margin	11%	14%	14%				

Cost of Services

In the 1st quarter of 2025, the cost of services was THB 693 million, an increase of THB 6 million or 1% from the same period of year 2024 mainly due to higher freight rate.

Gross Profit

For the 1st quarter of 2025, the gross profit was THB 115 million, an increase of THB 28 million or 31% from the same period of 2024 mainly due to the growth in service revenue, particularly from the Sea Freight business and logistics support services, both of which continued to expand. Compared to the previous quarter, gross profit rose slightly by THB 2 million or 2%, reflecting effective cost management alongside stable revenue levels, despite ongoing market volatility caused by external factors during the early part of the year.

However, the gross profit margin was maintained at 14%, in line with the previous quarter and up from 11% in the same period of the year 2024.

Selling Expenses

In the 1st quarter of 2025, the selling expenses were THB 36 million, an increase of THB 8 million or 33% from the same period of 2024, and a THB 4 million or 10% decrease from the previous quarter. The increase was in line with the growth in service revenue and was primarily driven by higher sales employee and sales agent commissions, which are variable costs tied to the growth in service revenue.

Administrative Expenses

In the 1st quarter of 2025, the administrative expenses were THB 55 million, an increase of THB 2 million or 4% from the same period of 2024, and up by THB 3 million or 6% compared to Q4 2024. This was mainly due to investments in internal technology systems and personnel costs related to international business development, particularly in the ASEAN markets where the Company continues to expand its service footprint. The Company remains focused on prudent cost management to ensure expenses are aligned with long-term business growth.

Finance cost

For the 1st quarter of 2025, the finance cost was THB 2 million, an increase of THB 1 million or 93% from the same period of 2024 and a slight increase from THB 1 million in the previous quarter. This was mainly due interest expenses incurred from higher lease liabilities under a new long-term lease agreement (right-of-use asset) that commenced earlier in the year, following the renewal of a warehouse lease.

Net Profit and Net Profit Margin

In the 1st quarter of 2025, the net profit was THB 27 million, an increase of THB 22 million or 440% from the same period of 2024. This growth was driven by higher service revenue and a significant increase in other incomes, particularly a one-time gain of THB 8 million from the sale of unused land, which was not related to the Company's core operations.

The Net profit margin was 3.3%, improving from 0.7% in the same period last year, but slightly lower than the 3.9% recorded in the previous quarter. Excluding the one-time gain from the land sale, the adjusted net profit would be THB 19 million, with a net profit margin of 2.4%, still reflecting a continued recovery trend from 2024.

The main factors contributing to net profit growth included:

- Increased service revenue across all business segments, especially the recovery in logistics support services.
- Effective cost management, resulting in improved gross profit margin.
- A reduction in foreign exchange losses compared to the previous quarter.

Financial Position

Consolidated Statement of Financial Position	December 31, 2024		March 31, 2025		Change	
	THB million	%	THB million	%	THB million	%
Total assets	1,436	100%	1,460	100%	24	2%
Total liabilities	517	36%	515	35%	(2)	0%
Total shareholder's equity	919	64%	945	65%	26	3%

Assets

As of December 31, 2024, and March 31, 2025, the Company's total assets were THB 1,436 million and THB 1,460 million, respectively. As of March 31, 2025, total assets increased by THB 24 million or 2% compared to the year end of 2024. The increase was primarily driven by (1) trade and other current receivables of THB 29 million, and (2) other current financial assets of THB 101 million, mainly from investments in debt mutual funds. Meanwhile, cash and cash equivalents decreased by THB 70 million.

Liabilities

As of December 31, 2024, and March 31, 2025, the Company's total liabilities were THB 517 million and THB 515 million, respectively. As of March 31, 2025, total liabilities decreased by THB 2.2 million or 0.4% compared to the year end of 2024. The decrease was mainly due to (1) current liabilities of THB 27 million, largely from a THB 35 million decrease in deferred revenue. Meanwhile, (2) non-current liabilities increased by THB 25 million, driven in part by a THB 18 million increase in lease liabilities due to warehouse lease renewal, and a THB 2 million increase in employee benefit obligations.

Shareholder's equity

As of December 31, 2024, and March 31, 2025, the Company's total shareholder's equity was THB 919 million and THB 945 million, respectively, an increased by THB 27 million or 3% compared to the year ended of 2024, primarily due to the increase in retained earnings.

Outlook for 2025

In 2025, the Company is exploring the feasibility of expanding into other ASEAN countries, following the establishment of offices in Malaysia and Vietnam. This expansion aims to capture continued growth in the regional logistics market. In addition, the Company plans to introduce higher-margin services such as supply chain management and integrated logistics solutions, in order to reduce reliance on freight rate-dependent revenue and to strengthen long-term competitiveness.

Sincerely yours

(Mr. Nanmanus Witthayasakpant)

Chief Executive Officer