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No. SINO IR 003/2568

Subject Management Discussion and Analysis for the 2nd quarter of 2025 and the 1st half of 2025

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 2nd quarter of 2025 and the 1st half of 2025, as follows:

Business Overview

In the 2nd quarter of 2025, the Company's total revenue was THB 689 million, a decrease of 6% year-on-year and 16% quarter-on-quarter. This was mainly due to a slowdown in revenue from the Sea Freight segment, which was impacted by the decline in import-export volume amid global economic conditions, geopolitical uncertainties, and international trade tensions. For instance, the U.S. retaliatory tariff measures have led to a slowdown in exports from certain Thai exporters. Nevertheless, the Company was able to maintain a stable revenue base from its existing customers, and there was no significant drop in freight rates during the quarter.

For the six-month period of 2025, the Company generated total revenue of THB 1,509 million, which was close to the THB 1,513 million recorded in the same period of the previous year. Revenue from support businesses, such as warehousing and domestic transportation services, continued to grow steadily. Notably, revenue from Logistics Support services increased by 42% compared to the previous year.

The Company efficiently managed the cost structure and expenses. Gross profit margin in the 2nd quarter of 2025 stood at 15%, up from 13% in the same period last year, although slightly down from 16% in the previous quarter.

In the 2nd quarter of 2025, the Company's net profit was THB 13 million, which was in line with the same period last year, representing a net profit margin of 1.9%. For the six-month period, net profit amounted to Baht 39 million, an increase from THB 18 million in the same period last year with a net profit margin of 2.6%, compared to 1.2% in the 1st half of the previous year.

The Company remains committed to enhancing integrated logistics services to meet the needs of both domestic and international customers. At the same time, the Company continues to expand strategic partnerships to unlock new business opportunities and strengthen its long-term competitive advantage.

Financial Performance

Statement of comprehensive income							
Unit : Million Baht	Q2/2024	Q1/2025	Q2/2025	YoY		QoQ	
				Change		Change	
Service income	735	808	689	(46)	(6%)	(119)	(15%)
Other income	0	12	1	1	12%	(11)	(93%)
Total revenues	735	819	689	(46)	(6%)	(130)	(16%)
Cost of services	638	693	584	(54)	(9%)	(109)	(16%)
Selling expenses	28	36	32	4	14%	(4)	(11%)
Administrative expenses	50	55	55	5	10%	0	0%
Loss (Gain) on Exchange	-	-	-	-	-	-	-
Total expenses	716	784	671	(45)	(6%)	(113)	(14%)
Operating Profit	19	35	19	0	(4%)	(17)	(47%)
Share of profit from investment in Joint Venture	-	-	-	-	-	-	-
Finance Income	-	-	-	-	-	-	-
Finance Cost	4	2	3	1	(19%)	0	20%
Profit before income tax expenses	16	33	16	0	2%	(17)	(51%)
Income tax expenses	3	7	4	1	10%	3	(45%)
Profit for the period	13	27	13	0	0%	(14)	(52%)

Statement of comprehensive income				
Unit : Million Baht	1H/2023	1H/2024	YoY	
			Change	
Service income	1,509	1,496	(12)	(1%)
Other income	4	12	8	197%
Total revenues	1,513	1,509	(4)	0%
Cost of services	1,325	1,276	(49)	(4%)
Selling expenses	56	68	13	22%
Administrative expenses	103	110	7	7%
Loss (Gain) on Exchange	-	-	-	-
Total expenses	1,483	1,454	(29)	(2%)
Operating Profit	29	54	25	85%
Share of profit from investment in Joint Venture	-	-	-	-
Finance Income	1	1	0	0%
Finance Cost	7	5	2	(27%)
Profit before income tax expenses	23	50	27	119%
Income tax expenses	5	10	(6)	124%
Profit for the period	18	39	21	117%

Financial Performance Analysis

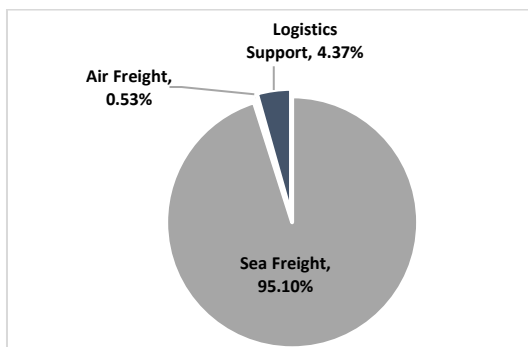
Service Income

For the 2nd quarter of 2025, the company had service income of THB 689 million, a decrease of THB 46 million or 6% from the same period of 2024, and for 1st half of 2025, the service income were THB 1,496 Million, a decrease of THB 12 Million or 1% from the same period of 2024. This was mainly due to lower revenue from the Sea Freight business, which is the Company's core revenue stream, due to a decline in freight rates from the previous quarter. Additionally, the slowdown in exports from China to the United States, as well as the impact of U.S. retaliatory tariffs on certain Thai exports, led to a contraction in export volumes of some product categories during the quarter.. For the 2nd quarter and 1st half of 2024 – 2025, the service income was divided into the following type of service:

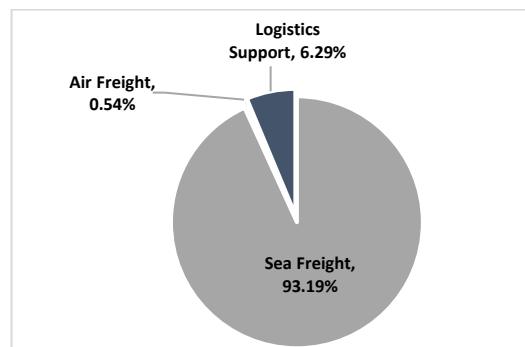
Service Income				YoY		QoQ	
Unit : Million Baht				Change		Change	
	Q2/2023	Q1/2023	Q2/2024				
■ Sea Freight Service	706	756	638	(68)	(10%)	(118)	(16%)
■ Air Freight Service	3	5	3	0	0%	(2)	(40%)
■ Logistics support Service	26	47	47	21	81%	0	(0%)
Total Service income	735	808	688	(47)	(6%)	(120)	(15%)

Service Income				YoY	
Unit : Million Baht				Change	
	1H/2023	1H/2024			
■ Sea Freight Service	1,435	1,394	(41)	(3%)	
■ Air Freight Service	8	8	0	0%	
■ Logistics support Service	66	94	28	42%	
Total Service income	1,509	1,496	(13)	(1%)	

Service income structure 1H/2024



Service income structure 1H/2025



Remark: Percentage of Service income

Other income

In the 2nd quarter of 2025, the other income was THB 1 million, an increase of THB 1 million or 93% from the same period of year 2024, and for the 1st half of 2025, the other income was THB 13 million, an increase of THB 8 million or 197% from the same period of 2024. This increase was primarily due to a one-time gain recognized from the sale of land in the 1st quarter of 2025

Cost of services	Q2/2024	Q1/2025	Q2/2025	YoY		QoQ	
Unit : Million Baht				Change		Change	
Service income	735	808	689	(46)	(6%)	(119)	(15%)
Cost of services	638	693	584	(54)	(9%)	(109)	(16%)
Gross Profit	97	115	105	8	9%	(10)	(9%)
Gross Profit Margin	13%	14%	15%				

Cost of services	1H/2023	1H/2024	YoY	
Unit : Million Baht			Change	
Service income	1,509	1,496	(13)	(1%)
Cost of services	1,325	1,276	(49)	(4%)
Gross Profit	184	220	36	20%
Gross Profit Margin	12%	15%		

Cost of services

In the 2nd quarter of 2025, the cost of services was THB 584 million, a decrease of THB 54 million or 9% from the same period of year 2024, and for the 1st half of 2025, the cost of services were THB 1,276 million, a decrease of THB 49 million or 4% from the same period of 2024 mainly due to lower costs in the Sea Freight segment, in line with the downward trend in freight rates that began to soften during the period.

Gross Profit

For the 2nd quarter of 2025, the gross profit was THB 105 million, an increase of THB 8 million or 9% from the same period of year 2024 , and for the 1st half of 2025, the gross profit was THB 220 million, an increase of THB 36 million or 20% from the same period of 2023 mainly due to the reduction in freight costs, while the Company effectively maintained service pricing in line with market conditions, resulting in a consistent gross profit margin.

Selling Expenses

For the 2nd quarter of 2025, the selling expenses were THB 32 million, an increase of THB 4 million or 14% from the same period of 2024, and for the 1st half of 2025, the selling expenses were THB 68 million, an increase of THB 13 million or 22% from the same period of 2024. The increase was in line with the higher gross profit and primarily resulted from higher commissions paid to sales personnel and sales agents, which are variable expenses linked to the Company's profitability performance.

Administrative expenses

For the 2nd quarter of 2025, the administrative expenses were THB 55 million, an increase of THB 5 million or 10% from the same period of 2024, and for the 1st half of 2025, the administrative expenses were THB 110 million, an increase of THB 7 million or 97 from the same period of 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 2nd quarter of 2025, the finance cost was THB 3 million, a decrease of THB 1 million or 19% from the same period of 2024, and for the 1st half of 2025, the finance cost was THB 5 million, a decrease of THB 2 million or 27% from the same period of 2024 mainly due to the lower interest expense from lease liabilities related to ISO tank contracts. The company's finance costs are primarily interest recognized on lease liabilities, not interest from financial borrowings.

Net Profit

For the 2nd quarter of 2025, the company had a net profit of THB 13 million, about the same as the same period of 2024, Net profit margin slightly increased from 1.7% to 1.8% in the 2nd quarter of 2025 mainly driven by effective cost control particularly a decrease in freight costs in line with market conditions despite a decline in total revenue due to the overall slowdown in export activities.

And for the 1st half of 2025, the company had a net profit of THB 39 million, an increase of THB 21 million or 117% from the same period last year, Net profit margin increased from 1.2% to 2.6% in the 1st half of 2025. The significant growth in net profit during the first half of the year was due to:

- A reduction in freight costs, which contributed to higher gross profit.
- Improved efficiency in managing selling and administrative expenses; and
- A one-time gain from the sale of assets recognized in the first quarter of 2025, which positively impacted overall profitability in the first half, even though there were no such gains in the second quarter.

Overall, this performance reflects the Company's ability to manage costs and control expenses effectively, despite external factors that led to a decrease in revenue.

Financial Position

Consolidated Statement of Financial Position	December 31, 2024		June 30, 2025		Change	
	THB million	%	THB million	%	THB million	%
Total assets	1,436	100%	1,465	100%	29	2%
Total liabilities	517	36%	572	39%	55	11%
Total shareholder's equity	919	64%	893	61%	(26)	(3%)

Assets

As of December 31, 2024, and June 30, 2025, the Company's total assets were THB 1,436 million and THB 1,465 million, respectively. As of June 30, 2025, the Company's total assets increased by THB 29 million or 2% compared to the year ended of 2024. The main reasons due to the increase in (1) Other current financial assets increased by THB 49.03 million (2) Property and equipment increased by THB 32.10 million, and (3) Right-of-use assets increased by Baht 50.22 million. This was partially offset by a decrease in cash and cash equivalents of THB 62.65 million, non-current assets held for sale of THB 20.16 million, and prepaid service expenses of THB 13.14 million.

Liabilities

As of December 31, 2024, and June 30, 2025, the Company's total liabilities were THB 517 million and THB 572 million, respectively. As of June 30, 2024, the Company's total liabilities increased by THB 55 million or 11% compared to the year ended of 2024. The increase was mainly due to an increase in trade and other payables by THB 9.61 million, and an increase in lease liabilities by THB 51.87 million, while deferred revenue decreased by THB 9.70 million.

Shareholder's equity

As of December 31, 2024, and June 30, 2025, the Company's total shareholder's equity was THB 919 million and THB 893 million, respectively. As of June 30, 2024, the Company's total shareholder's equity decreased by THB 26 million or 3% compared to the year ended of 2024, primarily due to dividend payments.

Strategy and Outlook

The Company remains focused on sustainable growth by expanding value-added services based on its core business, such as warehousing, domestic transportation, and logistics documentation management. In addition, the Company continues to implement internal IT systems to enhance operational efficiency and ensure long-term readiness for industry transformation.

The Company is currently progressing with its 2025 strategic plan, which includes:

- Investment in technology and the Freight Cloud System,
- Expansion of air freight services through strategic partnerships, and
- Creating synergy across the Sea Freight and Multimodal business units to improve service efficiency.

Meanwhile, the Company continues to closely monitor geopolitical developments and global economic trends to proactively manage risks and adjust strategies accordingly.

Sincerely yours

(Mr. Nanmanus Witthayasakpant)

Chief Executive Officer