

23 February 2023

No. SINO IR 001/2567

Subject Management Discussion and Analysis for the year ended 2023

To The President

The Stock Exchange of Thailand

We, Sino Corporation Group Public Company Limited (“the company”), are pleased to provide you our management discussion and analysis for the year ended 2023, as follows:

Business Overview

For the company's performance in the year 2023, total revenue was 1,810 million baht, a decrease of THB 4,121 million, or 69%, compared to the previous year. due to the decline in the sea freight income from, a decrease in freight rate, following market price dynamics due to reduced demand for international sea freight services caused by the global economic slowdown. In terms of export volume, the company has achieved goals, with an increase in cargo shipments to 46,000 containers. According to Datamyne data for the year 2023, the company ranked third in terms of TEU (twenty-foot equivalent unit) volume for sea cargo transportation on the Thailand-USA route, moving up from the sixth position in the 2022 data.

For the year 2024, the company plans to expand business operations in other areas, such as providing warehouse rental services, land transportation services, customs clearance services, and other services to support comprehensive and efficient logistics services. Additionally, the company has plans to expand its network and business internationally in the near future, which will enhance its competitiveness and growth potential. Furthermore, it is expected that sea freight transportation costs will continue to improve continuously in the first quarter of 2024, driven by positive factors such as increasing vessel charter rates in the Red Sea, which will support the company's operational performance as planned.

Financial Performance

Statement of comprehensive income	Year Ended Period		Change	
	2022	2023		
Unit : Million Baht				
Service income	5,907	1,800	(4,107)	(70%)
Other income	24	10	(14)	(58%)
Total revenues	5,931	1,810	(4,121)	(69%)
Cost of services	4,561	1,423	(3,138)	(69%)
Selling expenses	306	105	(201)	(66%)
Administrative expenses	194	202	8	4%
Total expenses	5,061	1,729	(3,332)	(66%)
Operating Profit	870	81	(789)	(91%)
Finance Cost	8	13	5	63%
Profit before income tax expenses	862	68	(794)	(92%)
Income tax expenses	170	15	155	(91%)
Profit for the period	691	53	(638)	(92%)

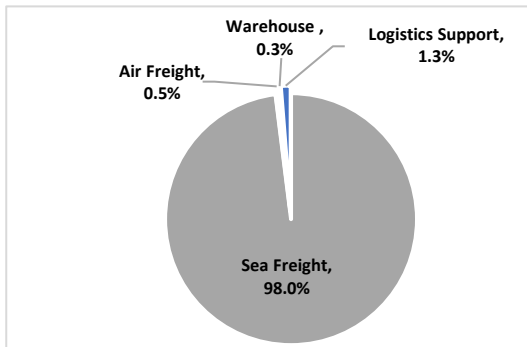
Financial Performance Analysis

Service Income

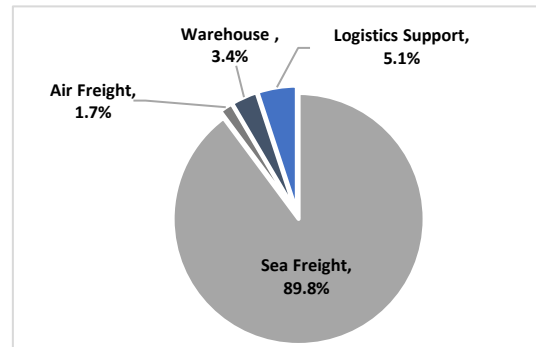
For the year ended 2023, the company had service income of THB 1,800 Million, a decrease of 4,107 Million or 70% from year 2022. This was mainly due to the decline in the sea freight income from, a decrease in freight rate, following market price dynamics due to reduced demand for international sea freight services caused by the global economic slowdown. However, the volume of sea freight service has increased from the same period of the previous year due to the company's proactive strategy in presenting its services directly to foreign importers. For the year ended 2022 – 2023, the service income was divided into the following type of service:

Service Income	Year Ended Period		Change	
	2022	2023		
Unit : Million Baht				
▪ Sea Freight Service	5,759	1,622	(4,137)	(72%)
▪ Air Freight Service	41	29	(12)	(29%)
▪ Warehouse	21	57	36	171%
▪ Logistics support Service	85	92	7	8%
Total Service income	5,907	1,800	(4,107)	(70%)

Service income structure 2022



Service income structure 2023



Remark: Percentage of Service income

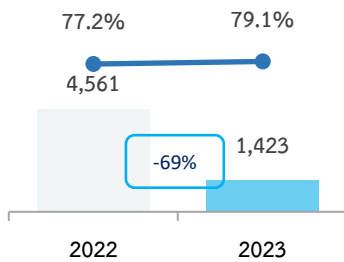
Other income

For the year ended 2023, the other income was THB 10 million, a decrease of THB 14 million or 58% from year 2022 mainly due to a reduction in profit from exchange rates.

Cost of services

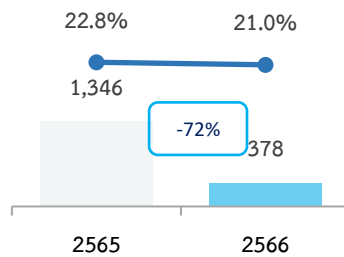
Unit : Million Baht

	Year Ended Period		Change	
	2022	2023		
Service income	5,907	1,800	(4,107)	(70%)
Cost of services	4,561	1,423	(3,138)	(69%)
Gross Profit	1,346	378	(968)	(72%)



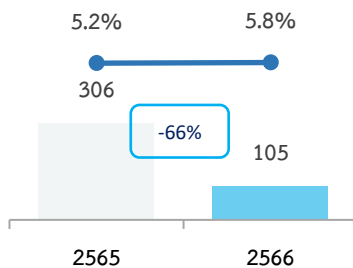
For year ended 2023, the cost of services was THB 1,423 million, a decrease of THB 3,138 million or 69% from year 2022 mainly due to lower freight rate. The freight rate had been decreasing since the second quarter of 2022 until the end of the year 2023.

Gross Profit



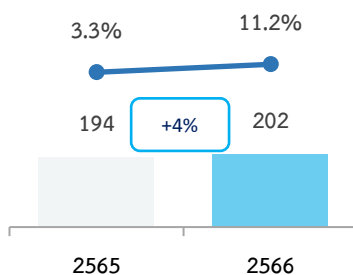
For the year ended 2023, the gross profit was THB 378 million, a decrease of THB 968 million or 72% from year 2022 mainly due to the reduction in the cost. Although selling prices have also adjusted downward, the Company was able to maintain its gross profit margin through its pricing policy.

Selling Expenses



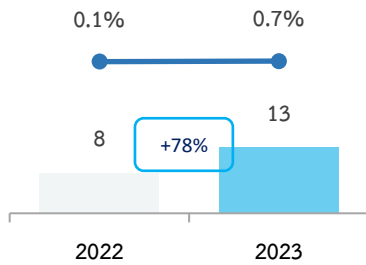
For the year ended 2023, the selling expenses were THB 105 million, a decrease of THB 201 million or 66% from the same period of 2022 mainly due to the decrease in employee and Sales Agent commissions, which are performance-based compensations aligning with the decrease in commissions for employees and Sales Agents.

Administrative expenses



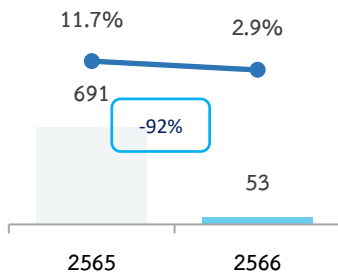
For the year ended 2023, the administrative expenses were THB 202 million, an increase of THB 8 million or 4% from the same period of 2022 mainly due employee salaries and benefits. Additionally, during year 2023, the Company reversed certain expected credit loss due to the receipt of payments from two specific debtors.

Finance cost



For the year ended 2023, the finance cost was THB 13 million, an increase of THB 5 million or 78% from year 2022 mainly due interest expenses incurred from higher lease liabilities.

Net Profit



For the year ended 2023, the company had a net profit of THB 53 Million, a decrease of THB 638 Million or 92% from last year, Net profit margin decreased from 8.8% in the for the year ended of 2022 from 11.7% to 2.9% in year 2023. This was mainly due to the decline in service income, coupled with the fact that a significant portion of administrative expenses are fixed costs that do not vary with income. As a result, the net profit of the Company decreased.

Financial Position

Consolidated Statement of Financial Position	December 31, 2022		December 31, 2023		Change	
	THB million	%	THB million	%	THB million	%
Total assets	1,208.34	100.00	1,372.85	100.00	164.51	13.61
Total liabilities	560.35	46.37	510.72	37.20	(49.63)	(8.86)
Total shareholder's equity	647.99	53.63	862.13	62.81	214.14	33.08

Assets

As of December 31, 2022, and December 31, 2023, the Company's total assets were THB 1,208.34 million and THB 1,372.85 million, respectively. As of December 31, 2023, the Company's total assets increased by THB 164.51 million or 13.61% compared to 2022. The primary reasons due to the increase in the (1) other current financial assets of THB 522.83 million and (2) right-of-use assets of THB 112.03 million. Additionally, there was a decrease in cash and cash equivalents of THB 530.43 million

Liabilities

As of December 31, 2022, and December 31, 2023, the Company's total liabilities were THB 560.36 million and THB 510.72 million, respectively. As of December 31, 2023, the Company's total liabilities decreased by THB 49.63 million or 8.86% compared to 2022. The primary reasons are the decrease in the trade and other payables of THB 130.77 million and income tax payable of THB 45.82 million. Additionally, there was an increase in lease liabilities of THB 70.95 million.

Shareholder's equity

As of December 31, 2022, and December 31, 2023, the Company's total shareholder's equity was THB 647.99 million and THB 862.13 million, respectively. As of December 31, 2023, the Company's total shareholder's equity increased by THB 214.14 million or 33.08% compared to 2022. The primary reason is the funding from the initial public offering in the Stock Exchange of Thailand of THB 324.75 million.

Sincerely yours

-Mr. Nanmanus Witthayasakpant-

(Mr. Nanmanus Witthayasakpant)

Chief Executive Officer