

No. SONIC-044/2020

August 11, 2020

Subject Management Discussion and Analysis for 6-month period ended 30 June 2020

To President
The Stock Exchange of Thailand

Sonic Interfreight Public Company Limited ("the Company") would like to submit the Management Discussion and Analysis for 6-month period ended 30 June 2020 with details as follows:

Unit : million baht

| Statements of Comprehensive Income | For the Six-month period ended 30 June | | | | For the three-month period | | | |
|---|--|--------|-----------------------|----------|----------------------------|----------|-----------------------|----------|
| | 2020 | 2019 | Increase / (Decrease) | | Q 2/2020 | Q 1/2020 | Increase / (Decrease) | |
| | | | Amount | % | | | Amount | % |
| Revenues from services | 596.90 | 569.31 | 27.59 | 4.85 | 285.76 | 311.14 | (25.38) | (8.16) |
| Cost of services | 483.04 | 448.53 | 34.51 | 7.69 | 230.36 | 252.68 | (22.32) | (8.83) |
| Gross profit | 113.86 | 120.78 | (6.92) | (5.73) | 55.40 | 58.46 | (3.06) | (5.23) |
| Other income | 5.34 | 1.94 | 3.40 | 175.26 | 0.46 | 4.88 | (4.42) | (90.57) |
| Selling & Administrative expenses | 90.30 | 84.36 | 5.94 | 7.04 | 45.13 | 45.17 | (0.04) | (0.09) |
| Finance costs | 3.59 | 3.79 | (0.20) | (5.28) | 1.71 | 1.88 | (0.17) | (9.04) |
| Share of profit (loss) from associate | 0.02 | (0.07) | 0.09 | (128.57) | 0.05 | (0.03) | 0.08 | (266.67) |
| Income tax | 4.52 | 8.80 | (4.28) | (48.64) | 2.07 | 2.45 | (0.38) | (15.51) |
| Net profit for the period | 20.81 | 25.70 | (4.89) | (19.03) | 7.00 | 13.81 | (6.81) | (49.31) |
| Total comprehensive income for the period attributable to : | | | | | | | | |
| Owners of the parent | 19.99 | 24.77 | (4.78) | (19.30) | 6.68 | 13.31 | (6.63) | (49.81) |
| Non-controlling interests | 0.82 | 0.93 | (0.11) | (11.83) | 0.32 | 0.50 | (0.18) | (36.00) |

Revenue

The revenue from service for 6-month period ended 30 June 2020 was amounted to 596.90 million baht, increased from 6-month period ended 30 June 2019 by 27.59 million baht or by 4.85 percent. However, decreased from 3-month period ended 31 March 2020 by 25.38 million baht or by 8.16 percent which revenue from services can be categorized as follows;

| Segment | For the Six-month period ended 30 June | | | | For the Three-month period | | | |
|------------------|--|---------------|-----------------------|-------------|----------------------------|---------------|-----------------------|---------------|
| | 2020 | 2019 | Increase / (Decrease) | | Q 2/2020 | Q 1/2020 | Increase / (Decrease) | |
| | | | Amount | % | | | Amount | % |
| Sea Freight | 381.31 | 385.05 | (3.74) | (0.97) | 183.30 | 198.01 | (14.71) | (7.43) |
| Transportation | 175.79 | 151.85 | 23.94 | 15.77 | 83.62 | 92.17 | (8.55) | (9.28) |
| Air Freight | 34.50 | 27.54 | 6.96 | 25.27 | 16.81 | 17.69 | (0.88) | (4.97) |
| Other service /1 | 5.30 | 4.87 | 0.43 | 8.83 | 2.03 | 3.27 | (1.24) | (37.92) |
| Total | 596.90 | 569.31 | 27.59 | 4.85 | 285.76 | 311.14 | (25.38) | (8.16) |

Remarks: /1 Other services such as distribution center service fee, dangerous good logistics

1. Revenue from Sea Freight Services accounts for 63.88% of the Company's total revenue from service. The Company's revenue from Sea Freight Services in 6-month period ended 30 June 2020 was 381.31 million baht, a decrease by 3.74 million baht or 0.97 percent compared to same period of the previous year and a decrease by 14.71 million baht or 7.43 percent compared to Quarter 1/2020 as a result of impact from COVID-19 outbreak.

2. Revenue from Transportation Services accounts for 29.45% of the Company's total revenue from service. The Company's revenue from Transportation Services in 6-month period ended 30 June 2020 was 175.79 million baht, an increase by 23.94 million baht or 15.77 percent compared to same period of the previous year as a result of higher using service of existing customer base, new customer increase and a decrease by 8.55 million baht or 9.28 percent compared to Quarter 1/2020 as a result of impact from COVID-19 outbreak.

3. Revenue from Air Freight Services accounts for 5.78% of the Company's total revenue from service. The Company's revenue from Air Freight Services in 6-month period ended 30 June 2020 was 34.50 million baht, an increase by 6.96 million baht or 25.27 percent compared to same period of the previous year and a decrease by 0.88 million baht or 4.97 percent compared to Quarter 1/2020.

4. Revenue from Other Services such as distribution center service fee, dangerous good logistics accounts for 0.89% of the Company's total revenue from service. The Company's revenue from Other Services in 6-month period ended 30 June 2020 was 5.30 million baht, a decrease by 0.43 million baht or 8.83 percent compared to same period of the previous year and a decrease by 1.24 million baht or 37.92 percent compared to Quarter 1/2020.

Cost of service

In the first 6 months of 2020, the Company's cost of service was equivalent to 483.04 million baht, or amounted to 80.92 percent from the revenue from service. Thus, the increase in cost of 34.51 million baht from the same period in 2019, or by 7.69 percent and a decrease by 22.32 million baht or 8.83 percent compared

to Quarter 1/2020 as a result of the costs depend on revenue and according with market competition conditions.

Gross Profit

For the first 6 months period of 2020, the Company's Gross Profit was equal to 113.86 million baht, or equivalent to 19.08 percent of Gross Profit Margin. a decrease in Gross Profit of 6.92 million baht from the same period in 2019, or by 5.73 percent were due to market competition conditions. For the 3 months period of 2020, the Company's Gross Profit was equivalent to 19.39 percent of Gross Profit Margin, a decrease compared to Quarter 1/2020.

Other revenue

The Company's Other revenue is from gain(loss) from sale of assets, gain(loss) from foreign exchange translation, interest revenue and revenue from financial lease. In the first 6 months of 2020, the Company had Other Revenue of 5.34 million baht, or increased by 3.40 million baht from the same period in 2019 as a result of gain from sale of assets.

Selling and Administrative expenses

For the first 6 months period of 2020, the Company's selling and administrative expense was equal to 90.30 million baht, an increase in the expense by 5.94 million baht, or increased by 7.04 percent from the same period in 2019 was a result from Staff expenses.

Net Profit

For the first 6 months period of 2020, the Company's Net Profit was equal to 19.99 million baht or equivalent to 3.32 percent of Net Profit Margin, a decrease by 4.78 million baht or 19.30 percent compared to same period of the previous year as a result of the revenue decreases as explained in the details above.

Financial Position Analysis

Unit : million baht

| Statement of Financial Position | 30 June 2020 | 31 December 2019 | Increase / (Decrease) | |
|---------------------------------|--------------|------------------|------------------------|--------|
| | | | Amount | % |
| Asset | 879.68 | 864.50 | 15.18 | 1.76 |
| Liabilities | 272.59 | 252.36 | 20.23 | 8.02 |
| Shareholder's equity | 607.09 | 612.14 | (5.05) | (0.82) |

Assets

As of 30 June 2020, the Company's total assets was 879.68 million baht, an increase of 15.18 million baht or 1.76 percent, with details as follows:

1. Cash and cash equivalents as of 30 June 2020 equals to 106.85 million baht, a decrease of 23.47 million baht from 31 December 2019 as a result of paid the dividends payment was 27.50 million baht on May 2020.
2. Trade and other receivables, net as of 30 June 2020 equals to 169.34 million baht, a decrease of 14.87 million baht from 31 December 2019 as a result of debt collection policy.
3. Property, plant and equipment-net, as of 30 June 2020, equals to 471.90 million baht, a decrease of 34.82 million baht from 31 December 2019 as a result of the company has asset usage rights list into the financial statements this year according to the financial reporting standard no.16, equals to 84.68 million baht
4. Finance lease receivables as of 30 June 2020 equals to 21.19 million baht had regarding the hire purchase of trucks and trailers.

Liabilities

As of 30 June 2020, the Company's total liabilities was 272.59 million baht, an increase of 20.23 million baht or 8.02 percent as a result of Investment in land development to expand the logistics service area at Si Racha district, Chon Buri.

Shareholder's equity

As of 30 June 2020, the Company's total shareholders' equity was 607.09 million baht, a decrease of 5.05 million baht or 0.82 percent as a result of the net profit and the dividends payment, 27.50 million baht.

Please be informed accordingly,



Yours Sincerely,



Dr.Santisuk Kosiapanant (Ph.D)
Chief Executive Officer

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(Mr.Ranut Lieolertsakulchai)
Director