

No. SONIC-023/2562

8 August 2019

Subject Management Discussion and Analysis for the 2nd quarter ending 30 June, 2019

To President
The Stock Exchange of Thailand

Sonic Interfreight Public Company Limited ("the Company") would like to submit the Management Discussion and Analysis for the 2nd quarter ending 30 June, 2019 with details are as follows:

Unit: million baht

Statements of Comprehensive Income	For the Six-month period ended 30 June				For the three-month period			
	2019	2018	Increase / (Decrease)		Q 2/2019	Q 1/2019	Increase / (Decrease)	
			Amount	%			Amount	%
Revenues from services	569.31	549.21	20.10	3.66	295.69	273.62	22.07	8.07
Cost of services	448.53	436.60	11.93	2.73	229.74	218.79	10.95	5.00
Gross profit	120.78	112.61	8.17	7.26	66.95	54.83	11.12	20.28
Other income	1.94	0.45	1.49	331.11	1.30	0.64	0.66	103.13
Selling & Administrative expenses	84.36	75.91	8.45	11.13	43.45	40.91	2.54	6.21
Finance costs	3.79	5.71	(1.92)	(33.63)	1.66	2.13	(0.47)	(22.07)
Share of profit (loss) from associate	(0.07)	0.90	(0.97)	(107.78)	(0.04)	(0.03)	(0.01)	33.33
Income tax	8.80	6.40	2.40	37.50	5.65	3.15	2.50	79.37
Net profit for the period	25.70	25.94	(0.24)	(0.93)	16.45	9.25	7.20	77.84
Total comprehensive income for the period	25.70	25.94	(0.24)	(0.93)	16.45	9.25	7.20	77.84
Total comprehensive income for the period attributable to:								
Owners of the parent	24.77	24.91	(0.14)	(0.56)	15.85	8.92	6.93	77.69
Non-controlling interests	0.93	1.03	(0.10)	(9.71)	0.60	0.33	0.27	81.82

Revenue

As a total logistic services provider, the main revenue of the Company is comprised of Seafreight, Transport, and Airfreight. Revenue from the Company's services for 6 months of 2019 was 569.31 million baht, increased from the same period of the previous year. And increased from the first quarter by 20.10 million baht and 22.07 million baht, increased of 3.66 percent and 8.07 percent. Which is the result of an increase in revenue from sea freight services that are likely to grow well compared to the same period of the previous year. Resulting in an increase from the first quarter of 19.74 million baht and 18.01 million baht or increased at a rate of 5.40 and 9.81 percent, respectively, caused by the existing customer base of the company with increased use of services revenue from transportation services increased from the same period of the previous year. And increased from the first quarter equal to 1.57 million baht and 2.94 million

baht, increasing by 1.04 percent and 3.95 percent. The revenue from the business of airfreight management decreased from the same previous year as of 1.60 million baht or decreased by 5.50 percent as a result from in January and February Some customers who use the service relocate the transportation base. But the company can find income to compensate in March As described in the explanation and analysis of the management's performance for the first quarter of 2019 which can be seen that the company has increased revenue from the first quarter equal to 0.69 million baht which increased to 5.20 percent.

Cost of service

The company has the cost of services for 6 months of 2019, equal to 448.53 million baht, which is 78.78 percent of revenue from services. Thus, and increased from the first quarter equal to 11.93 million baht and 10.95 million baht or increased by 2.73 percent and 5 percent due to the increase cost in volume and sales growth in Seafreight business unit. Nevertheless, the cost of the proportion of the Transport business unit and the Air freight business unit had decreased from prior year due to the efficiency in cost management. Thus, can be seen from the percentage of the cost of services when compared to the revenue from services which decreased from the same period of the previous year and decreased from the first quarter which was 79.50 and 79.96 percent.

Gross Profit

In the first 6 months of 2019, the Company's Gross Profit was equal to 120.78 million baht or equivalent to gross profit margin, equal to 21.22 percent. The gross profit increased by 8.17 million baht

The gross profit increased from the same previous year. And increased from the first quarter equal to 8.17 million baht and 11.12 million baht, increased by 7.26 percent and 20.28 percent. In addition, the increase in gross profit was due to increased sales and from the sale of sea freight management services for North American export customers. Including East Asia and ASEAN. The company's gross profit and Gross Profit Margin on transportation for 6 months of 2019, increased resulted from the efficiency in cost management. The company's gross profit and Gross Profit Margin on airfreight increased resulted the selling strategy.

Other income

Other income consists of income that is not from the business of the company, including, revenue from foreign exchange translation, interest revenue. The other income for the first 6 months of 2019 was 1.94 million baht which increased from 1.49 million baht from the same period last year. This increase of income is mainly from interest revenue during this period.

Selling and Administrative expenses

In the first 6 months of 2019, the Company's selling expense was equal to 84.36 million baht or equivalent to 14.77 percent of the revenue. Thus, the increase in the expense by 8.45 million baht, or increased by 11.13 percent from the same period in 2018 was mainly a result from a reserve for share-based payment

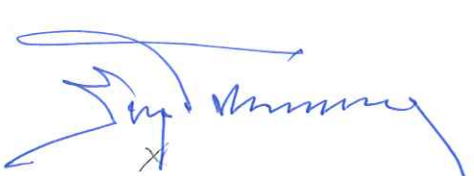
for ESOP warrant. And annual employee cost adjustment Including the provision of compensation for employees who retire According to labor protection law Act No. 7, 2019.

Net Income

In the first 6 months of 2019, the Company's Net Income was equal to 24.77 million baht or equivalent to 4.34 percent of revenues. In comparison to the same period in 2018, the decrease in the net income by 0.14 million baht or decrease by 0.56 percent was mainly a result from the employees who retired According to the Labor Protection Act, No. 7, 2019. The other higher selling and administrative expenses. However, when comparing with the first quarter, the company had net profit increased by 6.93 million baht or 77.69 percent.

Please be informed accordingly,

Yours Sincerely,



(Dr. Santisuk Kosiapanant)
Chief Executive Officer



SONIC INTERFREIGHT PUBLIC COMPANY LIMITED
บริษัท สอนิค อินเตอร์เฟรIGHT จำกัด (มหาชน)



(Mr. Ranut Lieolertsakulchai)
Director