

SINO LOGISTICS CORPORATION

THAILAND / TRANSPORT & LOGISTIC

SINO TB

BUY

UNCHANGED

TARGET PRICE	THB2.00
CLOSE	THB1.40
UP/DOWNSIDE	+42.9%
PRIOR TP	THB2.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+0.0%

Focusing on strengthening core units

- 2024 strategies: expanding containers, cross border, and barges to strengthen sea freights.
- The 2024 profit should recover from a low base last year, with a flat or higher SCFI than 2023.
- Maintain a BUY call at our TP of THB2.00 since the business has seen its trough.

Strengthening core units

In 2024, management targets to increase transport volume by 14% to 53,000 containers by increasing SOCs (Shipper Owned Container) and ISO tanks, which currently stand at 500 after SINO started to provide this service in 2022, to avoid container shortages. Besides, SINO aims for continued expansion of cross border, more investment in its container yard at Map Ta Phut to store ISO tanks, increased barge services (commenced in September 2023) to expand transport volume in Cambodian routes and for exports to the U.S. from Laem Chabang, and future M&As.

Synergies with SJWD should start from 2024 onwards

Currently, SJWD owns a 4.2% stake in SINO. Given that, SINO expects synergies with SJWD. In particular, SJWD has an annual transport volume of over 100,000 containers, while SINO has over 40,000 containers in 2023. A cooperation would help raise their combined transport volume to over 150,000 containers. Also, SINO has set up a subsidiary in Malaysia. Besides a rise in the transport volume from the country, it may expand to other markets, such as Vietnam and Indonesia, where SJWD has a strong presence. Finally, SINO has two warehouses in Laem Chabang. Since warehouses are also a core unit of SJWD, SINO anticipates synergies in this area.

The 2024 profit should recover sharply due to a low base in 2023

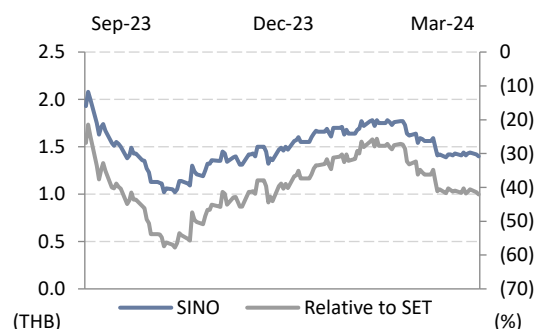
The Red Sea crisis has forced transport vessels to detour via the Cape of Good Hope. Given a longer transit time, transport costs and insurance premiums increase. Although it is temporary, it had an indirect positive impact on global freights for a certain period. Also, although freights are trending downward, SINO believes SCFI will not go much below 1,700 points. However, we have decreased our profit forecasts earlier. It now implies a jump of 146% y-y to THB130m due to a low base in 2023 and an increase of 21%/12% y-y in 2025-26, respectively.

Maintain BUY call at our TP of THB2.00

We retain our TP of THB2.00 (2024E P/E of 16x). Also, we reaffirm our BUY rating since the business has passed its trough. SINO's forte is in Thailand - U.S.A. routes, which should recover sooner than Asian ones since the U.S. economy remains robust. SINO announced a DPS of THB0.014423, implying a 1% yield. It will go XD on May 2.

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,800	2,175	2,423	2,683
Net profit	53	130	156	173
EPS (THB)	0.05	0.12	0.15	0.17
vs Consensus (%)	-	(7.7)	-	-
EBITDA	162	258	289	311
Recurring net profit	53	130	156	173
Core EPS (THB)	0.05	0.12	0.15	0.17
Chg. In EPS est. (%)	-	(0.9)	(0.9)	(0.9)
EPS growth (%)	(94.1)	145.8	20.5	10.9
Core P/E (x)	27.6	11.2	9.3	8.4
Dividend yield (%)	2.7	3.6	4.3	4.8
EV/EBITDA (x)	9.4	5.9	5.2	4.9
Price/book (x)	1.7	1.6	1.6	1.6
Net debt/Equity (%)	7.5	6.5	4.8	8.6
ROE (%)	7.0	14.8	17.4	19.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(14.6)	(6.0)	n/a
Relative to country (%)	(14.3)	(5.2)	n/a
Mkt cap (USD m)	40		
3m avg. daily turnover (USD m)	0.9		
Free float (%)	46		
Major shareholder	Bunditkitsada Family (42%)		
12m high/low (THB)	2.14/0.99		
Issued shares (m)	1,040.00		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

2023 has proved to be a challenging year for freight forwarders, the complete opposite of 2022. However, we believe the worst is over. Although volatility persists, the improving economy would support freights to be more stable than today. Also, SINO's expertise is in Thailand - North America routes, which should recover faster than Asian ones. Our BUY call assumes SINO has passed its trough and will gradually recover.

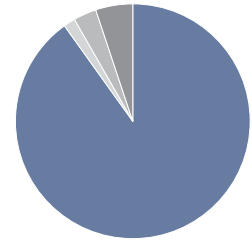
Company profile

SINO is a freight forwarder. It offers integrated logistics services, including sea freight (FCL and LCL), air freight, and multimodal transport operations to satisfy end-to-end global logistics needs. Also, it operates warehouses for rent and provides land transport services, custom services, and other support services.

www.sinologistics.co.th

Principal activities (revenue, 2023)

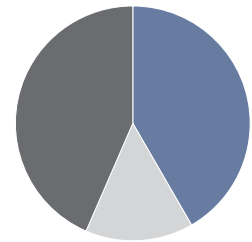
- Sea freight - 90.1 %
- Air freight - 1.6 %
- Warehouse service - 3.2 %
- Logistics support - 5.1 %



Source: SINO Logistics Corporation

Major shareholders

- Bunditkitsada Family - 41.7 %
- Nimitpanya Family - 14.9 %
- Others - 43.5 %



Source: SINO Logistics Corporation

Catalysts

Potential catalysts for SINO's earnings growth in 2024 are 1) a recovery in the global economy and trades, 2) stable freight with no war or violence, and 3) lower competition.

Risks to our call

Downside risks to our DCF-based TP include 1) freight volatility, 2) lower-than-expected growth in the global economy and trades, 3) wars, and 4) oil price fluctuation.

Event calendar

Date	Event
24 April 2024	General Annual Meeting
2 May 2024	Ex-dividend date
20 May 2024	Dividend payment

Key assumptions

	2024E (THB m)	2025E (THB m)	2026E (THB m)
Total operating revenue	2,195	2,445	2,707
% growth	21.9	11.4	10.7
Sea freight	1,959	2,179	2,311
Air freight	32	34	37
Warehouse service	62	66	70
Logistics support	63	70	77
Thanaleng dry port	80	96	211
Gross margin (%)	21.6	21.5	21.1

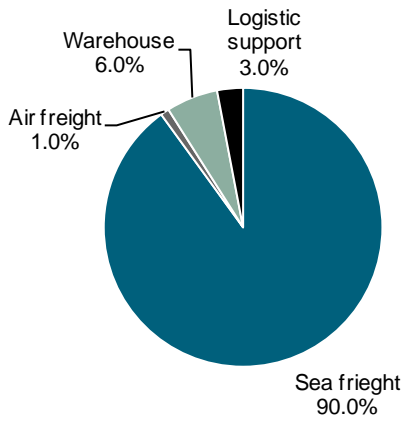
Source: FSSIA estimates

Earnings sensitivity

- For every 5% change in sea freight rate, we project 2024 net profit to change by 4.6%, all else being equal.
- For every 0.5% change in gross margin, we project 2024 net profit to change by 7%, all else being equal.
- For every 0.5% change in SG&A to sales ratio, we project 2024 net profit to change by 7%, all else being equal.

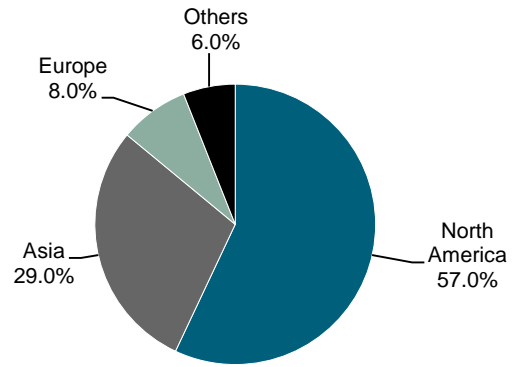
Source: FSSIA estimates

Exhibit 1: Revenue structure in 2023



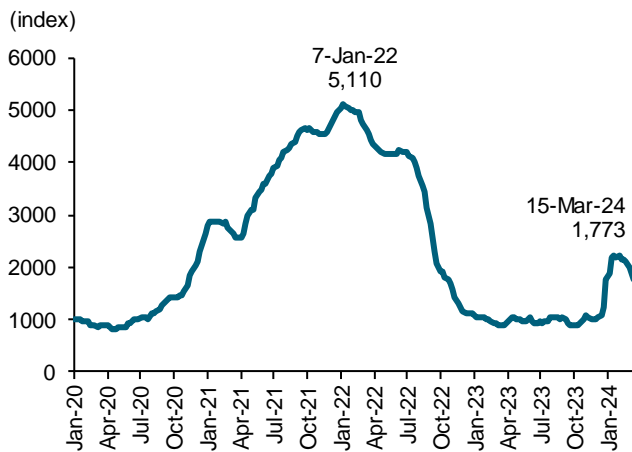
Sources: SINO, FSSIA's compilation

Exhibit 2: Sea freight volume by route in 2023



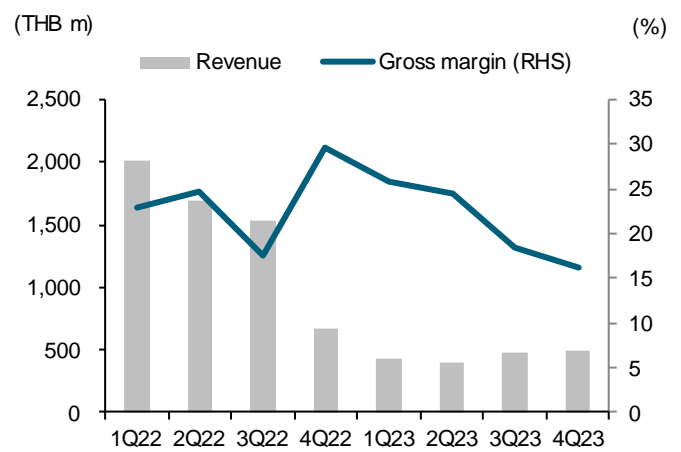
Sources: SINO, FSSIA's compilation

Exhibit 3: Shanghai Containerized Freight Index (SCFI)



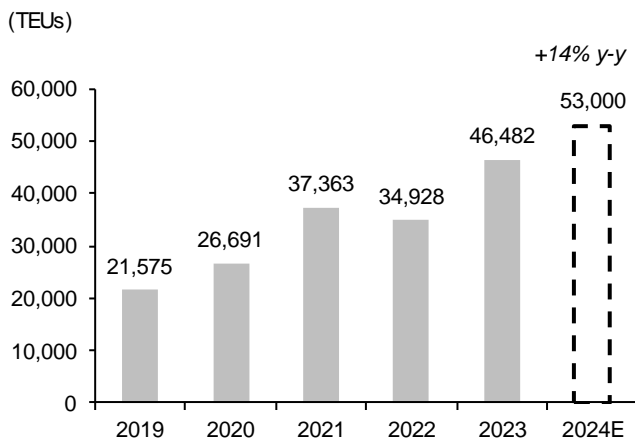
Source: Bloomberg

Exhibit 4: Revenue and gross margin, quarterly



Sources: SINO, FSSIA's compilation

Exhibit 5: Sea freight volume



Sources: SINO, FSSIA's compilation

Exhibit 6: SOC and ISO tank container



Sources: SINO, FSSIA's compilation

Financial Statements

SINO Logistics Corporation

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	5,907	1,800	2,175	2,423	2,683
Cost of goods sold	(4,561)	(1,423)	(1,705)	(1,902)	(2,118)
Gross profit	1,346	377	469	521	565
Other operating income	25	13	11	12	13
Operating costs	(500)	(306)	(304)	(327)	(351)
Operating EBITDA	903	162	258	289	311
Depreciation	(33)	(79)	(82)	(83)	(84)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	871	84	176	206	227
Net financing costs	(9)	(16)	(12)	(8)	(7)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
Profit before tax	862	68	164	198	220
Tax	(170)	(15)	(34)	(42)	(47)
Profit after tax	691	53	130	156	173
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	691	53	130	156	173
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	691	53	130	156	173
Per share (THB)					
Recurring EPS *	0.86	0.05	0.12	0.15	0.17
Reported EPS	0.86	0.05	0.12	0.15	0.17
DPS	0.35	0.04	0.05	0.06	0.07
Diluted shares (used to calculate per share data)	800	1,040	1,040	1,040	1,040
Growth					
Revenue (%)	26.1	(69.5)	20.8	11.4	10.7
Operating EBITDA (%)	102.1	(82.0)	58.7	12.0	7.6
Operating EBIT (%)	99.0	(90.4)	110.4	17.0	10.2
Recurring EPS (%)	(39.5)	(94.1)	145.8	20.5	10.9
Reported EPS (%)	(39.5)	(94.1)	145.8	20.5	10.9
Operating performance					
Gross margin inc. depreciation (%)	22.8	21.0	21.6	21.5	21.1
Gross margin exc. depreciation (%)	23.3	25.3	25.3	24.9	24.2
Operating EBITDA margin (%)	15.3	9.0	11.9	11.9	11.6
Operating EBIT margin (%)	14.7	4.6	8.1	8.5	8.5
Net margin (%)	11.7	2.9	6.0	6.4	6.5
Effective tax rate (%)	19.8	22.6	21.0	21.1	21.2
Dividend payout on recurring profit (%)	40.5	74.0	40.0	40.3	40.5
Interest cover (X)	99.1	5.4	14.7	25.7	31.9
Inventory days	-	-	-	-	-
Debtor days	34.0	50.8	43.5	41.7	41.4
Creditor days	29.0	53.6	32.7	31.1	28.1
Operating ROIC (%)	226.2	16.3	18.5	21.9	24.0
ROIC (%)	163.7	10.3	13.2	15.4	16.5
ROE (%)	134.3	7.0	14.8	17.4	19.0
ROA (%)	52.4	5.0	10.1	11.9	13.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Sea freight	5,759	1,622	1,938	2,156	2,287
Air freight	41	29	32	34	37
Warehouse service	21	57	62	66	70
Logistics support	85	92	63	70	77

Sources: SINO Logistics Corporation; FSSIA estimates

Financial Statements

SINO Logistics Corporation

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	691	53	130	156	173
Depreciation	33	79	82	83	84
Associates & minorities	0	0	0	0	0
Other non-cash items	(474)	(71)	(141)	(111)	(143)
Change in working capital	780	(158)	44	17	20
Cash flow from operations	1,031	(98)	115	145	134
Capex - maintenance	(12)	(10)	(80)	(50)	(80)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(3)	(519)	(28)	(20)	(23)
Cash flow from investing	(15)	(529)	(108)	(70)	(103)
Dividends paid	(704)	(160)	(52)	(63)	(70)
Equity finance	288	325	0	0	0
Debt finance	(140)	(68)	3	(17)	(10)
Other financing cash flows	-	-	-	-	-
Cash flow from financing	(556)	97	(49)	(80)	(80)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	1	3	5
Net other adjustments	0	0	1	3	5
Movement in cash	460	(530)	(41)	(2)	(44)
Free cash flow to firm (FCFF)	1,024.55	(611.61)	18.61	83.33	37.83
Free cash flow to equity (FCFE)	875.84	(695.25)	10.52	61.32	25.84
Per share (THB)					
FCFF per share	0.99	(0.59)	0.02	0.08	0.04
FCFE per share	0.84	(0.67)	0.01	0.06	0.02
Recurring cash flow per share	0.31	0.06	0.07	0.12	0.11
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	38	52	58	34	38
Less: Accumulated depreciation	(4)	(12)	(20)	(28)	(37)
Tangible fixed assets (net)	33	40	38	5	2
Intangible fixed assets (net)	127	239	251	266	285
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	690	160	119	117	73
A/C receivable	250	251	268	285	323
Inventories	0	0	0	0	0
Other current assets	66	629	634	624	627
Current assets	1,006	1,040	1,021	1,026	1,024
Other assets	42	54	60	63	67
Total assets	1,208	1,373	1,370	1,361	1,377
Common equity	648	862	888	905	920
Minorities etc.	0	0	0	0	0
Total shareholders' equity	648	862	888	905	920
Long term debt	69	140	143	124	114
Other long-term liabilities	134	128	126	123	125
Long-term liabilities	203	268	269	247	239
A/C payable	263	132	159	151	162
Short term debt	41	85	34	37	38
Other current liabilities	54	26	20	21	17
Current liabilities	357	243	213	209	218
Total liabilities and shareholders' equity	1,208	1,373	1,369	1,361	1,377
Net working capital	(1)	722	723	737	771
Invested capital	201	1,055	1,072	1,071	1,124
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	0.81	0.83	0.85	0.87	0.88
Tangible book value per share	0.65	0.60	0.61	0.61	0.61
Financial strength					
Net debt/equity (%)	(89.6)	7.5	6.5	4.8	8.6
Net debt/total assets (%)	(48.0)	4.7	4.2	3.2	5.7
Current ratio (x)	2.8	4.3	4.8	4.9	4.7
CF interest cover (x)	100.7	(43.6)	1.9	8.7	4.6
Valuation					
Recurring P/E (x) *	1.6	27.6	11.2	9.3	8.4
Recurring P/E @ target price (x) *	2.3	39.5	16.1	13.3	12.0
Reported P/E (x)	1.6	27.6	11.2	9.3	8.4
Dividend yield (%)	25.0	2.7	3.6	4.3	4.8
Price/book (x)	1.7	1.7	1.6	1.6	1.6
Price/tangible book (x)	2.2	2.3	2.3	2.3	2.3
EV/EBITDA (x) **	0.6	9.4	5.9	5.2	4.9
EV/EBITDA @ target price (x) **	1.1	13.2	8.3	7.4	6.9
EV/invested capital (x)	2.7	1.4	1.4	1.4	1.4
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: SINO Logistics Corporation; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainability	The Sustainability's ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

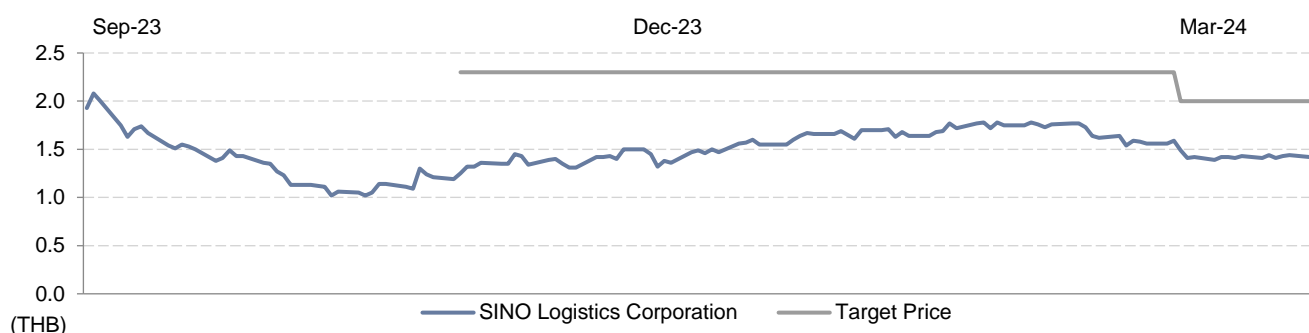
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History of change in investment rating and/or target price

SINO Logistics Corporation (SINO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Nov-2023	BUY	2.30	27-Feb-2024	BUY	2.00	-	-	-

Jitra Amornthum started covering this stock from 13-Nov-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
SINO Logistics Corporation	SINO TB	THB 1.40	BUY	Downside risks to our DCF-based TP include 1) ความผันผวนของราคาค่าระวาง 2) เศรษฐกิจและการค้าโลกไม่เติบโตตามคาด 3) สงคราม 4) ความผันผวนของราคาน้ำมัน

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 19-Mar-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.