

February 28, 2017

Subject: Management Discussion and Analysis for the operating results of 2016 ended December 31, 2016

To : President  
The Stock Exchange of Thailand

Asiasoft Corporation Public Company Limited (“the Company”) has submitted the audited financial statements for Fiscal Year 2016 ended December 31, 2016 as approved by BOD on February 27, 2017. The Company would like to supplement the reviewed financial statements with further explanations and information.

	Q 4 (October - December)				
	Q4/2016		Q4/2015		+ / (-)
	MTHB	%	MTHB	%	%
<b>Revenue from Sale &amp; Service</b>	236.0	100.0%	186.8	100.0%	26.3%
<b>Cost of Sale</b>	(167.1)	(70.8%)	(70.9)	(38.0%)	135.7%
<b>Gross Profit</b>	68.9	29.2%	115.9	62.0%	(40.6%)
<b>Selling Expense</b>	(18.9)	(8.0%)	(34.6)	(18.5%)	(45.4%)
<b>Administrative Expense</b>	(31.5)	(13.3%)	(131.4)	(70.3%)	(76.0%)
<b>One Time Expenses</b>	(54.2)	(23.0%)	(265.1)	(141.9%)	(79.6%)
<b>Net Profit (Loss)</b>	(66.9)	(28.3%)	(277.4)	(148.5%)	75.9%

	January – December				
	Year 2016		Year 2015		+ / (-)
	MTHB	%	MTHB	%	%
<b>Revenue from Sale &amp; Service</b>	861.3	100.0%	860.5	100.0%	0.1%
<b>Cost of Sale</b>	(648.8)	(75.3%)	(637.4)	(74.1%)	1.8%
<b>Gross Profit</b>	212.5	24.7%	223.1	25.9%	(4.8%)
<b>Selling Expense</b>	(108.5)	(12.6%)	(97.9)	(11.4%)	10.8%
<b>Administrative Expense</b>	(185.0)	(21.5%)	(323.1)	(37.5%)	(42.7%)
<b>One Time Expense</b>	(86.8)	(10.1%)	(360.8)	(41.9%)	(75.9%)
<b>Net Profit (Loss)</b>	(216.7)	(25.2%)	(475.1)	(55.2%)	(54.4%)

### 1. Revenue

Revenue on Sale & Service in year 2016 was 861.3 MTHB slightly increase 0.8 MTHB from previous year due mainly to local revenue was not increased as expected especially mobile game but the oversea subsidiaries such as Malaysia and Philippine can generate more revenue in second half of year especially Q4/16 thus 2016 revenue was increased.

### 2. Gross Profit

For year 2016, company gross profit 212.5 MTHB decreased from year 2015 by 10.6 MTHB or 4.8% mainly due to the increase of royalty cost and amortization of license cost in mobile which higher than PC game. The amortization cost base on agreement period but revenue from the relevant game is lower than cost thus gross profit was reduced.

### 3. Expense of Sales and Administrations

In year 2016, the company has selling expenses 108.5 MTHB higher than year 2015 by 10.6 MTHB or 10.8 % mainly due to marketing, advertising and promotion expenses.

Administrative expenses 185.0 MTHB **decrease** from year 2015 by 138.1 MTHB or 42.7% resulting from a) Company Restructure which cause a reduction on staff expenses 14 MTHB, rental expense 11 MTHB, Utilities Exp 5 MTHB depreciation/consultant fee/travelling and other reduction of 17 MTHB and b) the reduction of impairment on Investment & goodwill by 90 MTHB

#### 4. Net Profit (Loss)

The company's net loss in Q4/2016 66.9 MTHB **decreased 210.5 MTHB** from Q4/2015 and in year 2016 the loss was 216.7 MTHB **decreased 258.4 MTHB** or 54.4% from year 2015 subsequent to our restructure, the controlling on selling and admin expenses , reduction on one-time expense especially the impairment of license fee/intangible assets, investment and goodwill.

The company have tried to clean up most of the expense or cost which not generate income in order to re-start for new competition and better performance which year 2016 has presented the significant improvement for the company.

Kindly be informed accordingly

Yours faithfully,

Mrs. Ratana Manomongkolkul  
Deputy Managing Director