



No. NCL-M 03/60

February 24, 2017

**Subject:** Management Discussion and Analysis of Financial Positions and Operating Results of NCL INTERNATIONAL LOGISTIC PUBLIC COMPANY LIMITED and subsidiary for 12 months period ended December 31, 2016. Changing more than 20%

**To :** President,  
The Stock Exchange of Thailand

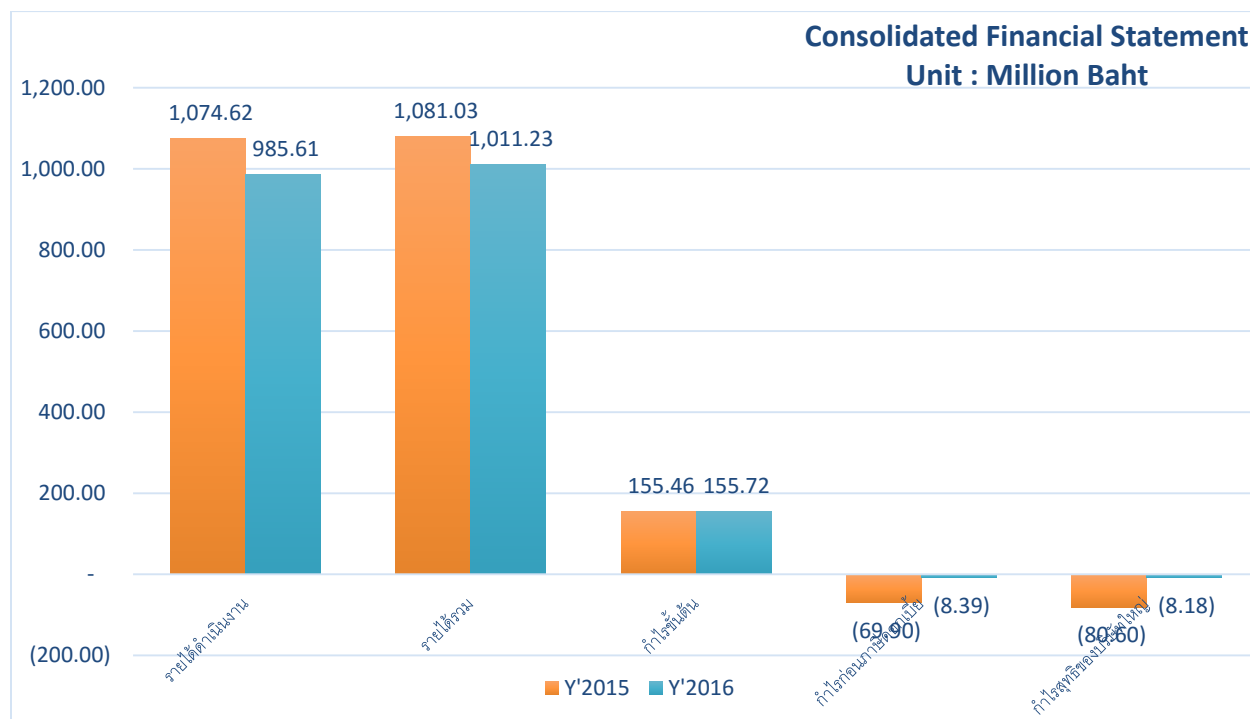
NCL INTERNATIONAL LOGISTICS PUBLIC COMPANY LIMITED and subsidiary ("The Company") would like to describe on the Management Discussion and Analysis of Financial Positions and Operating Results of the company for 12 months period ended December 31, 2016.

The Company has net loss of 8.18 million baht (0.87% of services income). The company's net loss decreased from the last year amount 72.43 million baht. (89.53%) which are causing significant details are as follows:

**Income**

Regarding 12 months period ended December 31, 2016. The Company had income from service totally 985.61 million baht, decreasing 8.28% from 12 months period ended December 31, 2015. The major reason is, in year 2015 the Company has revenue from one-stop logistics service of containers, from RANONG port, Thailand to Yangon port, Myanmar. But in year 2016, there was no revenue for the mentioned service. Revenue from international logistics business is reduced. This is a result of economic slowdown with the increasing price competition, and the company continues to focus on providing comprehensive transport services to a group of existing customers and new customers of the company using the company's service more. However, a subsidiary of Singapore's total income increased from the same period in 2015 due to expanded customer base and increased with the beginning of the year 2516, the Company invested in a joint venture company SSK Inter Logistics Co., Ltd., which operates land transport by truck, and the company has transferred the trucks and

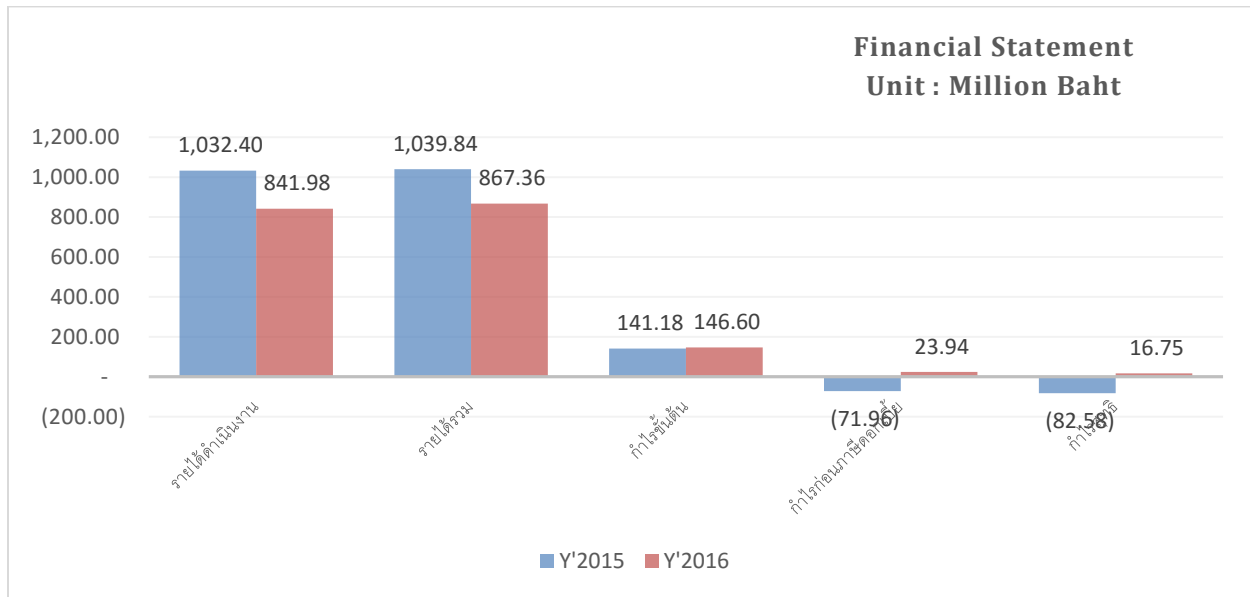
trailers for the such a company to operate domestic land transport service. As a result, revenues from land transport decreased in year 2016.



### Net Profit

For the 12 month period ended December 31, 2016 the company had a net loss of 8.18 million baht or 0.87 percent of revenues from services which decreased from the last year 72.43 million baht or 89.53 percent due the following reasons:

1. The Company's revenue decreased from the above reasons. However, gross profit increased due to better cost management, the Company's net profit was 16.75 million baht, an increase last year. At the rate of 120.29, which is another main reason, is the cost of sales and administrative expenses decreased by approximately 72.51 million baht. Due to the year 2015, the company's selling and administrative expenses from the start of the new service. It provides one stop logistics services. The service is fully integrated freight handling containers. From the port of Ranong in Thailand to Yangon, Myanmar Port Authority. In 2016, which cost nothing in this section. The year 2015 has cost the loss from cutting pay insurance from the port of Ranong 19.92 million baht and recognized loss from impairment of investments in associated companies amounted to 32.75 million baht in the year 2016 at no cost. in this respect.



- Legend Shipping (Thailand) Co., Ltd. (subsidiary) net loss ratio, the company invested 10.58 million baht due to a subsidiary, which offers international freight by sea. By owning container and a representative appointed by the international import and export goods to overseas. Established in early 2016, making it cost in the establishment and implementation of the first year. Operators open new markets led to price competition. To introduce the company's services and a reliable customer, so need to reduce the price at the beginning.
- The company's share of losses from investment in the joint venture company, SSK Inter Logistics Co., Ltd. 14.32 million, due to the economic situation in the country slowdown. The transport operators in the country to be highly competitive. And major customers of joint venture is the agricultural crops, which the price down. Along with the economic construction and cement decrease make business price to retain customers, the cost in various established and operated during the first year.

The company has suspended cargo delivery from the port of Ranong to Yangon, Myanmar. Since 16 July 2015

Yours sincerely,

(Mr.Kitti Phuathavornskul, Ms.Netirad Sang-ngam)