

Netbay IR 01/2559

15 June 2016

Subject: Management Discussion and Analysis for the year 2015

To: The President The Stock Exchange of Thailand

Overview of Operating Results for the year 2015

Service income of Netbay Public Company Limited (“the Company”) and its subsidiary for the year ended 2015 was Baht 223.81 million, increasing Baht 39.07 million or 21.15% from the year ended 2014. The revenue growth was due to the increase in revenue from e-Logistics Trading and e-Business Service. Service income from e-Logistics Trading grew from Baht 130.04 million to Baht 150.52 million due to the company could maintain existing customers and expand to new customers. Moreover, the company gained revenue from Sea e-Manifest (one of e-Logistics Trading) that launched in June 2014 for a whole year period. In addition, the revenue from e-Business Service increased from the expansion of CDD Gateway service by focusing on 3 business segments, which were financial institutions, insurance, and brokerage.

Cost of services for the year ended 2015 period was Baht 50.22 million, decreasing Baht 6.55 million or 11.53% from the year ended 2014. There was significantly decrease in depreciation expense which was due to fully depreciation of Private Cloud Computing Network in Q4/2014. However, cost of services did not sharply decrease since the shift in salary and employee benefit cost more Baht 3.71 million than last year. Moreover, Cloud computing service and license fee increase Baht 2.59 million and Baht 2.34 million, due to the usage and varying to CDD gateway service income respectively.

Service and administrative expenses for the year ended 2015 was Baht 106.60 million, decreasing Baht 1 million or 0.93% from the year ended 2014. Insignificant decrease in Service and administrative expenses was because in 2014 the Company paid extra bonus to employee.

The company's net profit for the year ended 2015 was Baht 65.05 million, increasing Baht 48.61 million or 295.76% from the year ended 2014. The rise in net profit was due to the growth in revenue and the significant decrease in cost of services, mainly from fully depreciated of Private Cloud Computing in Q4/2014.

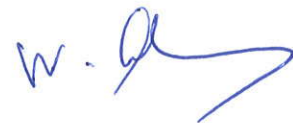
As at December 31, 2015, the Company's total assets was Baht 251.08 million and total liabilities was Baht 93.66 million. Shareholders' equity amounted Baht 157.42 million, increasing Baht 50.87 million from the end of year 2014 due to the increase in net operating profit during the period.

Debt to equity ratio as at December 31, 2015 was 0.59 (31 December 2014: 0.86). Book value per share was Baht 0.98 (31 December 2014: Baht 0.67 per share).

Please be informed accordingly.

Yours sincerely,

NETbay
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(Mr. Pichit Viwatrujirapong)

Chief Executive Officer

Netbay Public Company Limited