

Netbay IR 02/2559

15 June 2016

Subject: Management Discussion and Analysis for Q1/2016

To: The President The Stock Exchange of Thailand

**Overview of Operating Results for the Three-Month Period of 2016**

Service income of Netbay Public Company Limited (“the Company”) and its subsidiary for Q1/2016 was Baht 63.93 million, increasing Baht 12.56 million or 24.45% from Q1/2015. The growth was a result of continuously increase in revenue from e-Business Services (CDD Gateway service) and e-Logistics Trading, due to maintaining existing customers and expanding to new customers in both services. In addition, the company had a non-recurring income Baht 5.44 million from developing software service.

Cost of services for Q1/2016 was Baht 13.64 million, increasing Baht 1.81 million or 15.3% from Q1/2015. The growth was due to license fee, which varied to CDD gateway service revenue. The other reason was the shift in salary and employee benefit of the company’s employees. However, cost of services did not surge since Cloud Computing service was decrease from low usage.

Service and administrative expenses for Q1/2016 was Baht 30.63 million, rising by Baht 8.17 million or 36.38% from Q1/2015. This was due to the shift in salary and employee benefit of the company’s employees. Moreover, in Q1/2016, the company had more expenses related to listing process such as public relation expense.

There was no financial cost in Q1/2016 since financial lease agreement was fully paid in 2015.

The company’s net profit for Q1/2016 was Baht 19.18 million, increasing Baht 2.76 million or 16.83% from Q1/2015. The rise in net profit was due to continuously maintain revenue growth in all revenue segments and the efficiency in the management of cost of services and service & administrative expenses.

As at March 31, 2016, the Company's total assets was Baht 251.67 million and total liabilities was Baht 74.97 million. Shareholders' equity amounted Baht 176.70 million, increasing Baht 19.28 million from the end of year 2015 due to the increase in net operating profit during the period.

Debt to equity ratio as at March 31, 2016 was 0.42 (31 December 2015: 0.59). Book value per share was Baht 1.10 (31 December 2015: Baht 0.98 per share).

Please be informed accordingly.



Yours sincerely,



(Mr. Pichit Viwatrujirapong)

Chief Executive Officer

Netbay Public Company Limited