

Netbay IR 04/2559

11 August 2016

Subject: Management Discussion and Analysis for Q2/2016

To: The President The Stock Exchange of Thailand

Overview of Operating Results for the Three-Month Period ended 30 June 2016

Service income of Netbay Public Company Limited (“the Company”) and its subsidiary for the three-month period ended 30 June 2016 was Baht 67.64 million, increasing Baht 12.57 million or 22.83% from the same period of the previous year. 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 5.42 million from developing software service.

Cost of services for the three-month period ended 30 June 2016 was Baht 13.81 million, increasing Baht 1.73 million or 14.32% from the same period of the previous year. 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.

Service and administrative expenses for the three-month period ended 30 June 2016 was Baht 29.36 million, rising by Baht 4.58 million or 18.46% from the same period of the previous year. This was due to the shift in salary and employee benefit of the company’s employees. Moreover, in Q2/2016, the company had more expenses related to listing process such as public relation expense.

There was no financial cost in Q2/2016 since financial lease agreement was fully paid in 2015.

The company's net profit for the three-month period ended 30 June 2016 was Baht 23.66 million, increasing Baht 5.95 million or 33.56% from the same period of the previous year. 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 June 30, 2016, the Company's total assets was Baht 387.39 million and total liabilities was Baht 88.67 million. Shareholders' equity amounted Baht 298.72 million, increasing Baht 141.30 million from the end of year 2015 due to the increase in share capital from Initial Public Offering (IPO) and the increase in net operating profit during the period.

Debt to equity ratio as at June 30, 2016 was 0.30 (31 December 2015: 0.59). Book value per share was Baht 1.49 (31 December 2015: Baht 0.98 per share).

Please be informed accordingly.

Yours sincerely,



(Mr. Pichit Viwatrujirapong)

Chief Executive Officer

Netbay Public Company Limited