

Netbay IR 05/2559

10 November 2016

Subject: Management Discussion and Analysis for Q3/2016

To: The President The Stock Exchange of Thailand

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

Service income of Netbay Public Company Limited (“the Company”) and its subsidiary for the three-month period ended 30 September 2016 was Baht 70.67 million, increasing Baht 11.87 million or 20.18% from the same period of the previous year. The growth was a result of continuously increase in revenue from e-Business Services 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 6.18 million from developing software service.

Cost of services for the three-month period ended 30 September 2016 was Baht 15.51 million, increasing Baht 2.10 million or 15.67% 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 September 2016 was Baht 30.87 million, rising by Baht 4.21 million or 15.78% from the same period of the previous year. This was due to the shift in salary and employee benefit of the company’s employees.

There was no financial cost in Q3/2016 since financial lease agreement was fully paid in 2015.

The company's net profit for the three-month period ended 30 September 2016 was Baht 24.13 million, increasing Baht 5.86 million or 32.08% 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 September 30, 2016, the Company's total assets was Baht 423.30 million and total liabilities was Baht 102.15 million. Shareholders' equity amounted Baht 321.15 million, increasing Baht 163.73 million from the end of year 2015 due to the increase in net operating profit during the period.

Debt to equity ratio as at September 30, 2016 was 0.32 (31 December 2015: 0.59). Book value per share was Baht 1.61 (31 December 2015: Baht 0.98 per share).

Please be informed accordingly.

Yours sincerely,



(Mr. Pichit Viwatrujirapong)

Chief Executive Officer

Netbay Public Company Limited