

Netbay IR 02/2560

23 February 2017

Subject: Management Discussion and Analysis for the year 2016

To: The President The Stock Exchange of Thailand

Overview of Operating Results for the year 2016

Service income of Netbay Public Company Limited (“the Company”) and its subsidiary for the year ended 2016 was Baht 272.94 million, increasing Baht 49.13 million or 21.95% from the year ended 2015. 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 21.43 million from developing software service.

Cost of services for the year ended 2016 was Baht 58.62 million, increasing Baht 8.40 million or 16.73% from the year ended 2015. Cost of services increase since the shift in salary and employee benefit cost more Baht 3.08 million than last year. Moreover, license fee increase Baht 5.27 million, due to the varying to CDD gateway service income.

Service and administrative expenses for the year ended 2016 was Baht 123.42 million, increasing Baht 16.82 million or 15.78% from the year ended 2015, in line with total revenues. The proportion of service and administrative expenses to total revenue from service was 45.22%, decrease from last year (2015: 47.63%). This showed the Company’s ability to maintain proportion of service and administrative expenses to total revenues.

The company’s net profit for the year ended 2016 was Baht 89.32 million, increasing Baht 24.27 million or 37.31% from the year ended 2015. The rise in net profit was due to the growth in revenue and the efficiency in the management of service and administrative expenses of the Company.

As at December 31, 2016, the Company's total assets was Baht 468.81 million and total liabilities was Baht 125.36 million. Shareholders' equity amounted Baht 343.44 million, increasing Baht 186.02 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 year.

Debt to equity ratio as at December 31, 2016 was 0.37 (31 December 2015: 0.59). Book value per share was Baht 1.72 (31 December 2015: Baht 0.98 per share).

Please be informed accordingly.

Yours sincerely,



(Mr. Pichit Viwatrujirapong)

Chief Executive Officer

Netbay Public Company Limited