

-Information Memorandum-

Netbay Public Company Limited ("NETBAY")

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<u>Listing Date</u>	As at 16 June 2016 (Trading commencement on 16 June 2016)
<u>Listed Securities</u>	200 million ordinary shares, with a par value of Baht 1 each, totaling Baht 200 million
<u>Capital of the Company</u>	As of 16 June 2016 (Trading Commencement Date) Registered Capital: Ordinary shares with total value of Baht 200 million (200 million shares) Paid-up Capital: Ordinary shares with total value of Baht 200 million (200 million shares)
<u>Secondary Market</u>	The Market for Alternative Investment ("mai")
<u>Offering Price</u>	4 baht per share
<u>Offering Period</u>	8 - 10 June 2016 (The company offers 40 million shares of common stock to the public)

Objectives and plans for utilization the capital increase

The Company aims to utilize the net proceeds from this capital increase amounting to Baht 152.16 million according to the following plan.

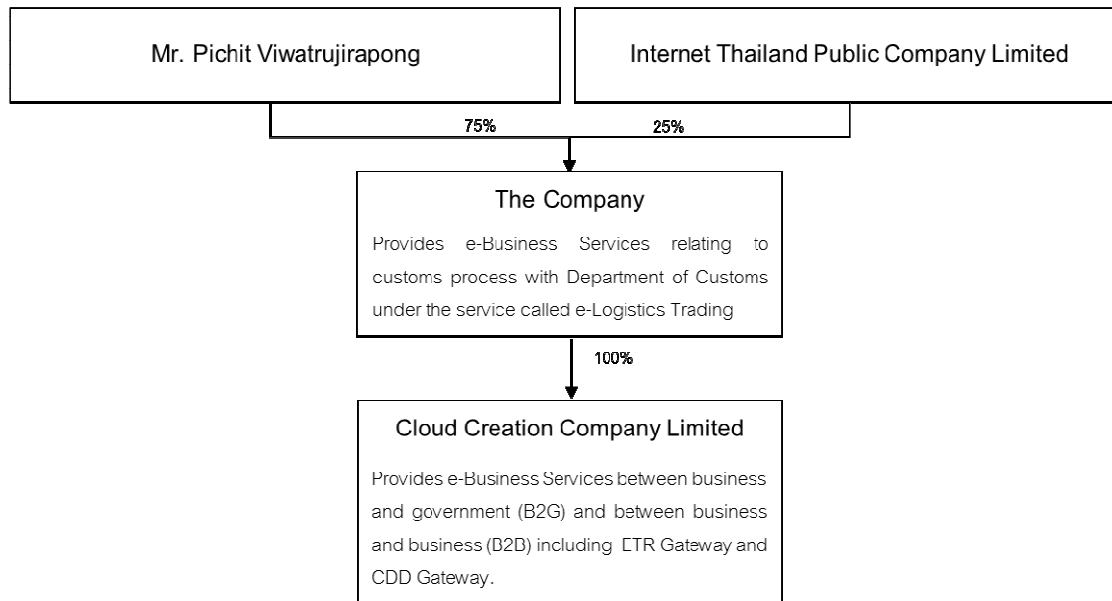
<u>Objectives and plans for utilization the capital increase</u>	Estimated Amount (million Baht)	Utilizing Period
To be used as working capital for business expansion	152.16	Within 2 years after listing

Note: The Company raised a total of Baht 160.00 million via Initial Public Offering. The net fund raised is equal to Baht 7.84 million baht after deducting all expenses of Baht 152.16 million baht.

Greenshoe Option None

### Group Structure

As of 31 March 2016, the Group structure is as follow :



### Type of Business and Nature of Operation

Netbay Public Company Limited (“the Company”) and its 100% subsidiary, namely Cloud Creation Company Limited, (collectively called “the Group of Companies”) engages in the business of developing software which serves and supports conducting of e-Business transactions and provide such software for use by clients. This form of service could alternatively be called “Software as a Service” (SaaS). The Group of Companies’ services have served B2G, B2B and B2C segments. It has charged its clients on both “per transaction” and “monthly” basis.

Online electronic systems that the Group of Companies has provided to various clients have been in the full form of SaaS. That is, the Group of Companies has provided services including data center, disaster recovery center, operating systems that the Group of Companies developed to support its online electronic systems, electronic transaction systems, networking systems, data security systems and etc. All of these have played an important role in allowing clients to obtain one-stop online services and simultaneously get convenient access to efficient online systems with minimal IT expenditures.

e-Business services provided by the Group of Companies consist of:

1. e-Logistics Trading (currently operated by the Company)
2. e-Business Services (currently operated by the subsidiary)
3. Projects and others.

## **Nature of Operation**

### **1. e-Logistics Trading**

e-Logistics Trading, which is currently operated by the Company, comprises the following services:

#### **1.1 e-Customs Paperless**

The Group of Companies has provided integration with computerized system of the Department of Customs (e-Customs Gateway) via National Single Window network (NSW). NSW has provided a full data and network integration among government agencies, 36 domestic business organizations and international organizations, with the aim to provide a single point of import-export services. This has facilitated all operators, organizations and agencies in both import and export sectors in terms of more efficient operations, eradication of redundant working procedures and human errors, reduction of unnecessary costs and expenses and more efficient use of working resources. The Group of Companies has also developed and provided Value Added Network Services (VANs) which allows submission and receipt of information in electronic form via its computer gateways.

The Group of Companies has provided e-Customs Paperless services for both importers and exporters. Users of e-Customs Paperless services could create and submit relevant import and export documents in electronic form and put their digital signatures on such documents via the Group of Companies' online systems rather than doing them in paper form, thus eradicating redundant working procedures and reducing unnecessary costs and expenses. Use of e-Customs paperless services also helps to collect relevant import and export data efficiently and to conduct meaningful statistical analysis.

#### **1.2 Customs e-Payment**

The Group of Companies has provided Customs e-Payment services which allow clients to make tax payment via online channel. Customs e-Payment allows integration of computerized system of the Department of Customs and those of commercial banks so that clients could make tax payments to the Department of Customs by automatic deduction of funds from their respective bank accounts. Note that banks that could participate in Customs-e Payment system must be those registered with the Department of Customs. Banks that participate in Customs e-Payment system will inform and provide data concerning tax payments directly to the Department of Customs via the Group of Companies' Customs e-Payment's gateway.

#### **1.3 e-Manifest**

The Group of Companies has provided e-Manifest services which allow creation of paperless reports of import and export data. Users of e-Manifest system could submit information regarding imported and exported goods in electronic form to the Department of Customs and/or the Port Authority of Thailand via the Group of Companies' gateway as well as obtain customs response from computerized system of the Department of Customs.

#### **1.4 e-Express**

One of the Group of Companies' main groups of clients is leading express couriers who need an online system that enables them to submit and exchange electronic data with the Department of Customs efficiently. The Group of Companies thus developed the so-called e-Express which has allowed express couriers to comply with customs procedures and requirements efficiently. Using e-Express allows express couriers to eradicate unnecessary customs procedures and reduce time in inspecting and releasing imported and exported goods from customs units.

2. **e-Business Services** which provides services of processing of electronic transactions to serve B2G and B2B segments. e-Business services comprise:

**2.1 Electronic Transaction Reporting Gateway (ETR Gateway)**

The Group of Companies has provided ETR Gateway services to serve requirements of clients which comprise Thai and foreign banks operating in Thailand so that they could generate and submit required electronic reports to the Anti-Money Laundering Office (AMLO). Use of ETR Gateway allows commercial banks to efficiently comply with AMLO requirements as well as reduce time and expenses in generating and submitting required reports to AMLO as they would be prepared and submitted in paperless form. Use of ETR Gateway also enables AMLO to process electronic data it receives efficiently.

**2.2 Customer Due Diligence Gateway (CDD Gateway)**

Financial institutions and providers of investment consulting or funds transfer services in accordance with Thai securities laws as well as those providing electronic payment services in accordance with Anti-Money Laundering and Combating the Financing of Terrorism rules (AML/CFT) are required to conduct customer due diligence prior to their entering into initial transactions with any clients. They are required to conduct customer due diligence intermittently until their relationships with clients end or clients close their accounts. To ensure that such financial institutions and financial service providers could fully comply with AMLO requirements concerning customer due diligence and client reporting, AMLO thus provided guidelines so that online service providers could develop an online reporting system that could support financial institutions in fulfilling AMLO requirements. The Group of Companies has possessed all required qualifications as specified by AMLO in providing CDD Gateway services. The Group of Companies started providing CDD Gateway services since 14 September 2012.

**3. Projects and others**

For this business, the Group of Companies would design and develop an information system to satisfy specific technical requirements of clients. The Group of Companies would realize revenue from this business on a contract-base basis whilst it will continuously recognize revenue from other two businesses. The entity who renders this project service can be either the Company or the subsidiary.

**Revenue Structure of the Group of Companies**

The following table shows revenue structure of the Group of Companies from the Year 2013 to 2015 and for the first three months of the Year 2016:

	Pro-forma Financial Statements for the Year Ended		Consolidated Financial Statement for the Year ended		Consolidated Financial Statement for the Year ended		Consolidated Financial Statement for the 3-month period ended			
	31 Dec 2013		31 Dec 2014 (Restate)		31 Dec 2015		31 Mar 2015		31 Mar 2016	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
1. e-Logistics Trading	114.68	76.81	130.04	70.39	150.52	67.25	35.83	69.75	39.68	62.07
2. e-Business Services	28.09	18.81	51.14	27.68	65.71	29.36	14.25	27.74	18.81	29.42
3. Projects and Others	6.53	4.37	3.56	1.93	7.58	3.39	1.29	2.51	5.44	8.51
<b>Total Service Revenues</b>	<b>149.30</b>	<b>100.00</b>	<b>184.74</b>	<b>100.00</b>	<b>223.81</b>	<b>100.00</b>	<b>51.37</b>	<b>100.00</b>	<b>63.93</b>	<b>100.00</b>

Note : <sup>1</sup>e-Customs Paperless is the main service under e-Logistics Trading. The revenue from e-Customs Paperless accounts for more than half of the revenue from e-Logistics Trading.

<sup>2</sup> CDD Gateway is the main service under e-Business Services. The revenue from CDD Gateway accounts for more than half of the revenue from e-Business Services.

## Target Customers

### Target Customers of e-Logistics Trading

e-Logistics Trading (currently operated by the Company)'s main target groups include:

1) Direct clients which include:

- Exporter and importer
- Agent of importer and exporter including freight forwarder, express courier, customs broker and shipping agent
- Airline, airline agent, cruise line, cruise line agent, air ticket agent, terminal operator, service counter

2) Firms that have provided value added network services (VANS) to entrepreneurs by utilizing the Group of Companies' networks and gateways on contacting with the Department of Customs' computerized system. The Group of Companies will charge this group of clients (VANS) in its capacity as provider of e-Customs Gateway.

The Group of Companies' revenue from e-Logistics Trading services based on type of client for the period from 2013 to 2015 and for the first 3 months of the Year 2016 could be tabled as below:

Type of Client	Pro-forma Financial Statements for the Year Ended		Consolidated Financial Statement for the Year ended		Consolidated Financial Statement for the Year ended		Consolidated Financial Statement for the 3-month period ended			
	31 Dec 2013		31 Dec 2014		31 Dec 2015		31 Mar 2015		31 Mar 2016	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Direct clients	96.43	84.39	105.61	81.20	115.91	77.01	28.17	78.62	29.98	75.55
Clients that use VANS	18.25	15.61	24.43	18.80	34.61	22.99	7.66	21.38	9.70	24.45
Total revenue from e-Logistics Trading services	114.68	100.00	130.04	100.00	150.52	100.00	35.83	100.00	39.68	100.00

### Target Customers of e-Business Services

e-Business Services (currently operated by the subsidiary)'s main target groups according to each subcategory under e-Business Services include:

#### Target Customers of ETR Gateway

Thai and foreign banks operating in Thailand

#### Target Customers of CDD Gateway

Current Target clients of CDD Gateway can be divided into 6 groups including:

1. Commercial banks including Thai banks, retail banks, foreign banks with subsidiaries in Thailand and etc
2. Life and non-life insurance companies
3. Securities brokerage companies
4. Financial institutions that are allowed to provide loans
5. Asset management companies
6. Derivatives traders

At present, the Group of Companies could cover every target segment, but management deems that the Group of Companies could further development its market. This is because there are still at least 200 companies that have yet to employ CDD Gateway services. Potential new clients who are required to comply with AMLO reporting requirements but not yet the Group's client include :

7. Money changer
8. Gold shop
9. Others which are required to comply with AMLO reporting requirements.

Furthermore, the Group of Companies could also provide new services to existing clients in case there is any future change in AMLO reporting requirements.

#### **Target Customers of Projects and Others**

Main customers of most projects are the customers who are currently use the 2 main services of the Group namely e-Logistics Trading and e-Business Services.

#### **Distribution Channels**

##### **Distribution Channels of e-Logistics Trading**

For direct clients, the Group of Companies established team of account executives to take care its existing clients. They would work in conjunction with CRM officers who are also responsible for introducing online services of the Group of Companies to potential clients. In terms of servicing through VANs, the Group of Companies has a strong relationship with VANs, who usually introduce the entrepreneurs to select the Group of Companies' e-Customs Gateway over others. This contributes to the highest number of transactions from the Group of Companies' e-Customs Gateway to Department of Customs, comparing with the other 2 services providers. The Group of Companies has the marketing team who dedicatedly co-ordinating with VANs.

##### **Distribution Channels of e-Business Services**

The Group of Companies established team of account executives to take care its existing clients. They would work in conjunction with CRM officers who are also responsible for introducing services of the Group of Companies to potential clients.

##### **Distribution Channels of Projects and Others**

As the Group gains trust from the clients who are using the 2 main services, it has been asked to complete digital business transformation projects by those clients.

#### **Raw Materials and Services Procurement**

For new online service businesses, the Group of Companies set up a business development team and a project management team to conduct research and propose new products and services for consideration and approval by management. After management approval, a team will be established to conduct further in-depth technical study. After this, a conceptual design and system development will be proceeded. The followings list steps in procuring new clients:

1. The Group of Companies will continuously monitor news from the Department of Customs, government agencies and business organizations concerning their requirements for online and e-business services. This would help the Group of Companies to seek for new business opportunities.

2. The Group of Companies will collect news concerning requirements for online and e-business services from all potential clients which include government agencies and private business organizations.
3. The Group of Companies' technical team would develop e-business and online systems based on clients' technical requirements.
4. Technical team would conduct system testing by connecting online system it designs and develops with those of clients. In case any technical failures still exist, technical team will fix such bugs until the system works properly.
5. Technical team prepares hardware, operating system and system infrastructure which enable efficient operation of the system.
6. Technical team installs system so that it is ready to serve clients. In the mean time, the Group of Companies would provide necessary training and any necessary technical solutions and recommendations in case clients need them.
7. Technical team along with marketing team will evaluate clients' responses and may need to further develop and improve the system to better fulfill clients' requirements.

#### **Industry Conditions**

As of 31 March 2016, there are 3 customs gateway operator connecting to the IT system of Department of Customs and 10 value added network services (VANs), referring from the website of Thailand National Single Window). At present, there is not operating license granted to any single operators to conduct a business,

#### **Thailand's Import and Export**

Export value of March 2016 was at Baht 676,529 million, representing 10.77% increase over the same of period of the previous year. This export growth was mainly due to the expansion of industrial products especially car, machinery and gold. Moreover, the export of agricultural products showed a positive trend in term of volume; however, the price has not yet been recovered. This made the export value expanded less than the volume exported. In term of import, in March 2016, the value of import was at Baht 578,447 million, increasing 1.77% from the same of period of the previous year.

#### **AEC and Logistic Requirements**

The advent of ASEAN Economic Community (AEC) which aims to liberalize goods & service mobility, investments and labor sector and create a single market and production base in ASEAN region has stimulated demand for reliable and efficient logistic services. Thailand has a geographical advantage thanks to its location in the center of ASEAN countries like Myanmar, Laos, Vietnam and Cambodia and its close proximity to China. It is expected that demand for reliable and efficient logistic services in Thailand will sharply surge thanks to advent of AEC.

Trade liberalization in the ASEAN region will of course come simultaneously with more intense competition in the region. It is thus necessary for Thailand to upgrade its logistic capabilities so that the country could provide low-cost but efficient logistic services. At present, the Department of Customs is the main government agency that is responsible for establishing National Single Window (NSW) which aims to develop and implement electronic logistic infrastructure in the kingdom. The task of establishing electronic logistic infrastructure involves government processes and procedures, trade processes and procedures, logistic services and financial services. The main aim of NSW is to establish a fully-integrated cooperation among all relevant agencies so that Thailand's global competitiveness could be improved and solidified. This will of course make Thailand ready for the advent of AEC.

Competition in providing each available services

Category	Sub-category	Competition
e-Logistics Trading	e-Customs Paperless	At present, there are 3 domestic providers of e-Customs Paperless services. They comprise the Company, CAT Telecom Public Company Limited and Trade Siam Company Limited. Management deems that level of competition in e-Customs Paperless segment is medium as there are currently a few service providers. Main strengths of the Group of Companies in this area include its highest market share among the three service providers and its ability to provide both e-Customs Gateway and VANs services. Users of e-Customs Paperless services focus on system stability, service price and simple but efficient IT system. The Group of Companies has continuously developed its e-Customs Paperless services with the aim to simplify the system but make it more stable when heavily employed. The Group of Companies has charged proper pricing to attract more clients to use e-Customs Paperless services. The group believes that it could maintain its leadership in e-Customs Paperless segment over the long-run.
e-Logistics Trading	Customs e-Payment	At present, domestic providers of Customs-e payment services comprise the Company, CAT Telecom Public Company Limited and Trade Siam Company Limited. Management deems that level of competition in this segment is low as number of banks participating in this service would not increase. Clients of Customs e-Payment would rather put emphasis on banks that could provide this service rather than direct online service providers. Currently, the Group of Companies has more bank coverage than other direct online service providers.
e-Logistics Trading	e-Manifest	At present, domestic providers of e-Manifest services comprise the Company, CAT Telecom Public Company Limited and Siam Trade Company Limited. Management deems that level of competition in the e-Manifest segment is minimal as number of users of this service is not likely to increase. Users of e-Manifest are likely to put emphasis on system stability and technical expertise of service providers. Online services provided by the Group of Companies are well accepted by its clients.
e-Logistics Trading	e-Express	At present, domestic providers of e-Express services comprise the Company, CAT Telecom Public Company Limited and Trade Siam Company Limited. Management deems that level of competition in this segment is low as number of express couriers that would participate in this service would be unchanged. Clients of e-Express would rather put emphasis on system stability and technical expertise of service providers. The Group of Companies has technical team with sound knowledge and experience in express courier business. Its past record is well recognized. The Group of Companies has determined to provide its clients with good e-Express services with at competitive price.



Category	Sub-category	Competition
e-Business Services	ETR Gateway	The Group of Companies has provided a fully integrated ETR Gateway services for financial institutions in Thailand. Scope of ETR Gateway services the Group of Companies has provided comprises software development and integration to computerized systems of relevant government agencies. Management deems that competition in this segment is low as currently there is no other provider of ETR Gateway services other than the Group of Companies. The Group of Companies charges its clients at a competitive rate, thus making it difficult for new operators to enter this segment. Clients have continuously used the Group of Companies' ETR Gateway services thanks to its system stability and security. There is no need for them to look for new service providers.
e-Business Services	CDD Gateway	The Group of Companies has provided fully integrated CDD Gateway services to clients. Scope of services the Group of Companies has provided comprises development of software and integration of clients' computerized systems to those of related government agencies. Management deems that level of competition in this segment is low as a successful provider of CDD Gateway services must possess experience in rendering services and knowledge in relevant rules and regulations. Clients would rather put emphasis on stability and security of the system. To fulfil clients' requirements, the Group of Companies has developed and implemented stable system and experienced technical team to ensure delivery of online services with international standards.

#### Pricing Policy

Category	Sub-category	Pricing Policy
e-Logistics Trading	e-Customs Paperless	Clients that use e-Logistics Trading services will be charged based on the number of transactions that are submitted through the Group of Company's gateway. In other words, they are charged on transaction base basis.
e-Business Services	ETR Gateway	The Group of Companies will charge its clients for using ETR Gateway services on a monthly flat rate basis. Monthly flat rate that the Group of Companies will charge each client is determined based on average monthly volume of data each client submits via ETR Gateway.
e-Business Services	CDD Gateway	The Group of Companies has charged its clients for using CDD Gateway services on a monthly flat rate basis. Service rate that the Group of Companies would charge each client depends on whether they are classified as small-, medium- or large-sized clients. Client size is determined based upon volume of usage and number of users of each client. In case any client uses CDD Gateway in excess of the maximum volume it can use in any single month, it will be additionally charged based upon the excessive volume of use.

**Environmental Impact**

Operation of the Group of Companies does not cause any detrimental environmental impact. Rather online services provided by the Group of Companies help to reduce use of paper and commuting time. The Group of Companies has a policy to use energy-saving computerized devices.

**Summary of Key Contracts**

None

**Technical and Management Assistance:**

None

**Project Feasibility Study:**

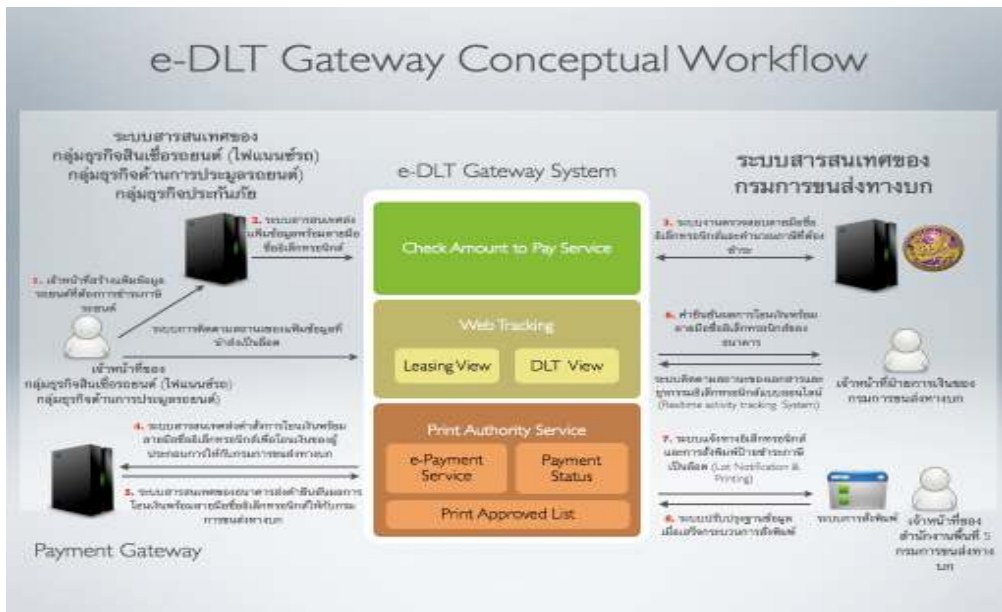
None

**Future Project**

The Group of Companies has formulated plan for a future project, namely e-DLT Project. Details of e-DLT Project which is expected to launch in 2016 is as follows:

**Characteristics and Benefits of e-DLT Project**

e-DLT Project is categorized as an e-Business Service project. It aims to provide an online electronic link between Department of Land Transportation of Thailand and private sector. The Group of Companies plans to develop e-DLT Project to allow operators of automobile hire purchase business to pay automobile tax via online channel for many transactions simultaneously, thus reducing expenses, time and complexity prevalent in existing system of automobile tax payment. e-DLT Project will also help to alleviate unnecessary burden related to direct automobile tax payment to Department of Land Transportation. Target Group of e-DLT Project is operators of automobile hire purchase business as e-DLT Project would provide more convenience and efficiency in dealing with Department of Land Transportation and reduce potential human errors during the process.



#### **Expected Costs of e-DLT Project**

In developing e-DLT Project, the Group of Companies has relied heavily on its internal resources. All equipment necessary for developing e-DLT Project is internally developed and no additional investments are required. Substantial cost of developing e-DLT Project consists of employee remuneration which is regularly incurred.

#### **Pricing Policy for e-DLT Service**

The Group of Companies will charge its clients for e-DLT services based on number of transactions generated by each client in each month (Transaction Base).

#### **Distribution Channel**

The Group of Companies will establish its marketing team which consists of account executives and CRM officers to directly contact and serve its potential clients. The marketing team will also introduce the Group of Companies' services to potential groups of clients.

#### **Competition in Providing e-DLT Service**

At present, there are no domestic providers of e-DLT services. In case the Group of Companies could provide e-DLT service within 2016, competition level is likely to be low. Management expects that potential users of e-DLT are likely to focus more on benefits from using this service as well as system stability rather service price. To achieve client satisfaction, the Group of Companies has arranged for necessary system and infrastructure to serve client demand on a timely and efficient basis.

#### **Project Risk**

Risk associated with e-DLT Project is the possibility that Department of Land Transportation may change its policy concerning employing this project to support its operation, readiness of the department IT system and other relevant terms and conditions imposed by the department. In case of these circumstances, e-DLT project may be terminated.

#### **Related Party Transaction**

The followings are the Company's related transactions in 2015 and during the first 3 months of 2016

##### **1. Rented and utilized Cloud Computing System**

The Company rented and utilized Cloud Computing System from Internet Thailand Public Company Limited ("INET"), which has 2 common directors with the Company including Mr. Pairash Thajchayapong and Mr. Sahas Treetipbut. Moreover, INET is a shareholder of the Company. As of 31 March 2016, INET holds 25% of the Company's paid-up capital.

Details of the Transaction	Amount of the Transaction (Baht Million)		Rationale, Necessity and Opinion of the Audit Committee
	For the year ended 31 Dec 2015	For 3-month period ended 31 Mar 2016	
The Company made rental and service fee payment for the Cloud Computing	11.23	1.89	Terms and conditions of the relevant agreement are on an arm's length basis. The rental and services rate are comparable to market price.  The opinion of the Audit Committee is that the transaction is a normal business transaction and is fair.

## 2. Rented an office building

The Company rented an office building from Creation Group Company Limited ("Creation Group"), which has 3 common directors with the Company including Mr. Pichit Viwatrujirapong, Mr. Pichai Asavanapakas and Mrs. Kobkanjana Veerapongpradit.

Details of the Transaction	Amount of the Transaction (Baht Million)		Rationale, Necessity and Opinion of the Audit Committee
	For the year ended 31 Dec 2015	For 3-month period ended 31 Mar 2016	
The Company made rental and service fee payment for renting the office building to Creation Group	4.71	1.14	Terms and conditions of the rental agreement are on an arm's length basis. The rental and services rate are comparable to market price.  The opinion of the Audit Committee is that the transaction is a normal business transaction and is fair.

## Contingencies and Commitments

The Group has entered into lease agreement in respect of the lease of office building space from Creation Group Company Limited. The term of the agreement is 3 years from 1 January 2014 to 31 December 2016 and the Group possesses the right to renew this rental agreement. The rental rate under the renewed agreement shall be agreed upon between both parties. However, the Group has rented this building from Creation Group Company Limited since the establishment.

## Risk Factors

### Operating Risks

#### 1) Risk of reliance on technical staffs

The Group of Companies' main business relates to provision of technical online services, and this needs technical capabilities and expertise of its employees in understanding and analyzing working processes and procedures of its clients so that appropriate e-business services could be proposed for their consideration. The Group of Companies is thus exposed to the risk of reliance on system development staffs, especially those who work for more than 3 years. Loss of such technical staffs would of course affect the Group of Companies' competitive capabilities.

To reduce this risk, the Group of Companies has focused on continuously developing its technical staffs. The Group of Companies has focused on team rather than individual approaches in working on every assignment. It also offers competitive remunerations to keep its technical staffs in the long-run and attract technical talents from outside.

## **2) Risk due to change in government policy**

The Group of Companies' business depends heavily upon the government policy to support pursuance of transactions via online channels. Change in government policy on this will of course affect the Group of Companies' financial performance and condition.

Nevertheless, at present domestic government and private sectors tend to support pursuance of transactions via online channels as doing so would help to reduce unnecessary expenses and risk of document loss. Use of online channels in preparation and submission of electronic documents would also help to eradicate unnecessary paper works and bring in more system security. In case government agencies would dramatically change their policies, it would notify about such change in advance, thus allowing the Group of Companies to change its operating plan to match with policy change.

## **3) Risk related to stability of online service system**

Stability of the Group of Companies' online service system would play a major role in helping clients to decide whether they would employ its e-business services. In case the Group of Companies' online service system fails due to technical or human errors, this would of course affect its capability to meet their technical and computing requirements. Many contracts the Group of Companies entered into with many clients guarantee system stability, and the group may need to return fees to clients in case of its failure to fulfil technical requirements.

To deal with this risk, the Group of Companies arranges for a computing reserve system which can work in place of the existing system in case of its technical failure and continuously monitors performance of the existing online computing system.

## **4) Risk due to technological change**

IT business is exposed to rapid technological change as computing technologies used to develop an IT system rapidly develops. The Group of Companies has developed on its own computer programs which are used to provide online e-business services which generate the group's main source of revenue.

If the Group of Companies fails to keep track with such technological change, it may lose competitive capability. Rapid technological change would also cause equipment obsolescence and the group's incapability to meet new technical requirements.

The Group of Companies closely monitors technological developments, and it continuously provides relevant trainings to its technical staffs. The Group of Companies has applied new computing technologies in developing new e-business applications to better serve client requirements. The Group of Companies has a policy to lease rather than acquire computerized devices for its internal use to eradicate risk of technology obsolescence. Nevertheless, the Group of Companies may purchase its own computerized devices in case it could not source for outside computing services with quality up to the group's technical requirements.

#### 5) Risk from change in requirement concerning format of data transmission

Government agencies may sometimes change their requirements concerning format of data transmission. Thus, the Group of Companies needs to adjust channel and format of data transmission to correspond to changing technical requirements of government agencies. Failure to fulfill such technical change may expose the Group of Companies to risk of client loss, and this will affect the Group of Companies' financial performance and condition.

In the past, the Group of Companies provided client-based e-business services to its clients, and this caused delay in adapting format of data transmission to match customers' technical requirements. At present, the Group of Companies has switched its format of services to web-based ones, and this has allowed the Group of Companies to efficiently adjust its online e-business services to fulfil changing clients' technical requirements.

#### Legal Dispute

None

#### Number of Employees

As of 31 March 2016, total number of employees of the Group was 92 (not including management).

#### Company Background

Netbay Public Company Limited ("the Company") was incorporated on 19 November 2004, with initial registered capital of 10 million baht. The Company was co-founded by shareholders and management of Software Link Company Limited which engaged in the business of developing software for e-business and by Internet Thailand Public Company Limited which is the first internet service provider in Thailand. The Company has engaged in the business of developing software products and providing fully integrated services in relation to e-Business for B2G, B2B and G2C segments. The Company also holds a 100% stake in Cloud Creation Company Limited. Cloud Creation Company Limited has engaged in the businesses of providing CDD Gateway services and ETR Gateway services and owned Private Cloud Computing system.

Major developments of the Company are showed in the table below:

Year	Major Developments
2004	On 19 November 2004, the Company was established to engage in the business of developing software products for e-Business services and providing computer networkings among business organizations and government agencies. Its initial registered capital was Baht 10 million.
2006	<ul style="list-style-type: none"><li>• The Company participated in preliminary e-Customs Paperless project and the Company was permitted to fully provide e-Customs paperless services.</li><li>• The Company participated in preliminary e-Express Consignment project whereby the Company developed a system that allows customs officers to receive electronic data and documents from express couriers.</li><li>• The Company developed Air Cargo Manifest system in EDI form which allowed terminal operators to manage data concerning air cargo.</li></ul>

Year	Major Developments
2007	<ul style="list-style-type: none"> <li>● The Company was the sole provider of air cargo manifest services in the form of e-Customs paperless for all terminal operators at Suwanbhumi International Airport.</li> <li>● The Company launched Customs e-Payment Gateway that allows submission of data regarding tax payments between the Department of Customs and banks operating in Thailand.</li> <li>● The Company's software products and services were used by leading express couriers such as DHL, FedEx, TNT and UPS in creation, receipt and submission of electronic documents in e-Customs Paperless form with the Department of Customs.</li> </ul>
2008	<ul style="list-style-type: none"> <li>● The Company developed and provided a new service called Sea Manifest. Cruise liners and their agents are main users of Sea Manifest.</li> <li>● The Company developed and launched a new service called e-Express. Global leading express couriers like DHL, FedEx, TNT and UPS are main users of e-Express. They have used e-Express in creation, receipt and submission of electronic documents and making electronic tax payments.</li> </ul>
2009	<p>On 25 February 2009, the Company increased its registered capital from Baht 10 million to Baht 50 million so that it could meet requirement as prescribed by the Bank of Thailand in providing switching service.</p>
2010	<p>The Companies joined the sub-committee in coordinating and monitoring the implementation of RFID System of the Department of Customs.</p>
2011	<p>The Company was selected to provide Electronic Transaction Reporting Gateway services (ETR Gateway). Such system facilitates and helps banks to reduce expenses in preparing and submitting electronic reports to AMLO.</p>
2012	<ul style="list-style-type: none"> <li>● On 1 August 2012, the Company increased its registered capital from Baht 50 million to Baht 90 million. Proceeds from capital increase were used to finance acquisition of Cloud Creation Company Limited.</li> <li>● The Group of Companies has possessed all required qualifications as specified by AMLO in providing CDD Gateway services. The Group of Companies started providing CDD Gateway services since 14 September 2012.</li> </ul>
2013	<ul style="list-style-type: none"> <li>● On 4 December 2013, the Company acquired 99.99% of stake in Cloud Creation Company Limited for the total investment amount of Baht 50 million.</li> <li>● On 25 November 2013, the Company increased its capital from baht 90 million to Baht 100 million. All shares were allocated to existing shareholders.</li> </ul>
2014	<ul style="list-style-type: none"> <li>● On 1 January 2014, the Company acquired SoftwareLink Company Limited.</li> <li>● On 1 April 2015, the Company increased its registered capital from Baht 100 million to Baht 160 million. Increased capital of Baht 6 million was allocated to existing shareholders of the Company and increased capital of Baht 54 million was allocated to Mr.Pichit Viwatrujirapong as the payment for acquisition of Software Link Company Limited.</li> <li>● On 22 April 2014, the Company was converted into a public limited company. Its registered capital was increased to Baht 200 million so that its shares could be listed on the Market for Alternative Investment (mai).</li> <li>● In June 2014, the Company started Sea e-Manifest service</li> </ul>

### Investment in Subsidiary

As of 31 March 2016, the investment in subsidiary of the Company is as follow:

Company	Nature of Business	Registered Capital (Baht Million)	% of Shareholding	Book Value of Investment (Baht Million)
Cloud Creation Company Limited	Provides e-Business Services including ETR Gateway and CDD Gateway. Cloud Creation also owns the Private Cloud Computing	50	100%	50

### Capital Increase (Decrease) over the Last 3 Years.

Date of Capital Increase (Decrease)	Pre-increase (decrease) Paid-up Capital (Baht Million)	Amount of Capital Increase (Baht Million)	Post-increase (decrease) Paid- up Capital (Baht Million)	Use of Proceeds
1 August 2012	50	40	90	Cloud Creation Company Limited Acquisition, which was done during the restructuring process
25 November 2013	90	10	100	
1 April 2014	100	60	160	SoftwareLink Company Limited Acquisition
13 June 2016	160	40	200	To be used as working capital for business expansion

Fiscal Period 1 January - 31 December

Auditor EY Office Limited  
Rosaporn Decharkom, Certified Public Accountant No. 5659  
Sophon Permsiriwallop, Certified Public Accountant No. 3182  
Rungnapa Lertsuwankul, Certified Public Accountant No. 3516  
Sumana Panpongsonon, Certified Public Accountant No. 5872

Securities Registrar Thailand Securities Depository Company Limited

Financial Advisor Maybank Kim Eng Securities (Thailand) Public Company Limited

### Dividend Payment Policy of the Company and Its Subsidiary

The Company and its subsidiary has a policy to pay dividends of not less than 40% of net profit after taxes as showed on their respective separate financial statements after all required legal reserves. However, such dividend payment policy is subject to change, depending upon their liquidity requirements, investment and operating plans as well as fulfillment of relevant contractual requirements and obligations. The Board of Directors may make annual dividend payment by obtaining approval from the annual general meeting of shareholders. The Board of Directors may from time to time approve interim dividend payment if it deems that the Company has sufficient accumulated profit to do so. The Board of Directors shall inform the meeting of shareholders about interim dividend payment in the next meeting of shareholders.



### BOI Investment Promotion Certificates

The Group of Companies received two BOI investment promotion certificates. Details of those two BOI investment promotion certificates and investment promotion privileges are summarized as below:

BOI Investment Promotion Certificate	1423(7)/2556	2351(7)/2554
Date of Investment Promotion Approval	22 March 2013	17 November 2011
Company that Received BOI Investment Promotion Privileges	Netbay Public Company Limited	Cloud Creation Company Limited
Type of Promoted Business	Software business in the area of enterprise software, digital content and embedded software	Software business in the area of enterprise software and digital content
Tenure of Income Tax Exemption Period	8 years	8 years
Key BOI Investment Promotion Privileges	<ul style="list-style-type: none"> <li>- The Group of Companies is permitted to bring in the Kingdom of Thailand skilled foreign workers or foreign experts , their spouses and their dependences for the amount and period as deemed appropriate by the Board of Investment;</li> <li>- The Group of Companies is exempted from import duties for machinery and equipment as permitted by the Board of Investment;</li> <li>- The Group of Companies is exempted from corporate income tax for its operating profit generated by BOI promoted businesses for the period of 8 years from the first date such revenue is generated;</li> <li>- In case the Group of Companies faces an operating loss in any year during the BOI tax exemption period, for the purpose of tax calculation it is allowed to bring such loss to deduct from operating profit it generates within the period of 5 years from the end of BOI tax exemption period. Such loss could be used to deduct from a single or more than one year's profit; and</li> <li>- The Group of Companies is exempted from inclusion of dividends generated from BOI promoted businesses for the purpose of tax calculation during the period of corporate income tax exemption of 8 years;</li> </ul>	

To conclude, at present the Group obtains BOI promotion for all services except CDD Gateway as the subsidiary does not use its internally developed software to render the service but choose to utilize the software from foreign country.

### Number of Shareholders As of 14 June 2016

	Number of Shareholders	Number of Shares Held	% of Total Paid-up Shares
1. Strategic shareholders			
1.1 Directors, managers, executive management including related persons and associated persons	3	120,000,000	60.00
1.2 Shareholders who have a holding above 5% including related person	1	40,000,000	20.00
1.3 Controlling persons	-	-	-
2. Non-strategic shareholders hold >= 1 trading unit	1,737	40,000,000	20.00
3. Non-strategic shareholders hold < 1 trading unit	-	-	-
<b>Total</b>	<b>1,741</b>	<b>200,000,000</b>	<b>100.00</b>

**Major Shareholders** As of 14 June 2016

No.	Name	Post-IPO		Pre-IPO	
		Number of Shares (Share)	% of Total Paid-up Shares	Number of Shares (Share)	% of Total Paid-up Shares
1.	Mr. Pichit Viwatujirapong	119,999,980	60.00	119,999,980	75.00
2.	Internet Thailand Public Company Limited	40,000,000	20.00	40,000,000	25.00
3.	Ms. Rasita Jaraphichitchai	1,000,000	0.50	-	-
4.	The Rangsan Group	544,500	0.24	-	-
	- Mr. Akaradech Rangsan	484,500	0.24	-	-
	- Mr. Nattapat Rangsan	60,000	0.03	-	-
5.	The Sittikomprasart Group	450,000	0.23	-	-
	- Mrs. Lertluk Sittikomprasart	230,000	0.12	-	-
	- Mr. Wutichai Sittikomprasart	220,000	0.11	-	-
6.	The Mahasuwan Group	400,000	0.20	-	-
	- Mr. Suthee Mahasuwan	200,000	0.10	-	-
	- Mr. Teerapat Mahasuwan	200,000	0.10	-	-
7.	The Kuakpetoon Group	400,000	0.20	-	-
	- Mr. Kulakon Kuakpetoon	200,000	0.10	-	-
	- Mr. Nitchakhun Kuakpetoon	200,000	0.10	-	-
8.	Ms. Saowaros Thanyaphol	392,000	0.20	-	-
9.	Ms. Puangporn Angkavanich	391,900	0.20	-	-
10.	Ms. Pompreeya Nathasilapakasem	310,000	0.16	-	-
11.	Ms. Malee Ratrachan	300,000	0.15	-	-
12.	Others	35,811,620	17.91	20	0.00
	<b>Total</b>	<b>200,000,000</b>	<b>100.00</b>	<b>160,000,000</b>	<b>100.00</b>

Note : The major shareholders are grouped by surname. This does not mean that each shareholder having the same surname will acting in concert.

**Foreign Shareholders** As of 14 June 2016

The Company has 12 foreign shareholders. The total number of shares held by foreign shareholders is 93,000 shares, or 0.05% of paid-up capital

Note : Restriction on the holding of the Company's shares by non-Thai shareholders is specified in Clause 11 of the Company's article of association. Such clause states that the Company's ordinary shares are freely transferable except in case transferring of the Company's shares results in % of shareholding by non-Thai shareholders exceeds 49% of the Company's total voting shares. For any share transfer that would result in % of shareholding by non-Thai shareholders exceed the specified threshold, the Company shall reserve the right to reject such share transfer.

### The Board of Directors

No.	Name	Position	Start Date
1.	Mr. Pairash Thajchayapong <sup>1</sup>	Chairman of the Board of Directors	27 March 2007
2.	Mr. Pichit Viwatrujirapong	Chief Executive Director	19 November 2004
3.	Mr. Sahas Treetipbut <sup>1</sup>	Director	24 January 2013
4.	Mr. Wanchai Vach-shewadumrong <sup>1</sup>	Director	9 March 2012
5.	Mr. Pichai Asavanapakas	Director	24 June 2011
6.	Mr. Akaradej Rojmeta	Director	27 March 2007
7.	Mrs. Patama Wongtoythong	Independent Director / Chairman of Audit Committee	12 March 2014
8.	Mr. Vichit Yanamorn	Independent Director / Member of Audit Committee	12 March 2014
9.	Mr. Suvit Arunanondchai	Independent Director / Member of Audit Committee	12 March 2014

Note : <sup>1</sup> was appointed by Internet Thailand Public Company Limited, which is a major shareholder of the Company

Ms. Pornpreeya Nathasilapakasem has acted as the secretary of the Audit Committee.

### Audit Committee

The meeting of the Board of Directors no. 2/2014 held on 18 April 2014 considered and approved scope of duties and responsibilities of the Audit Committee as follows :

- |    |                          |                             |                                   |
|----|--------------------------|-----------------------------|-----------------------------------|
| 1. | Mrs. Patama Wongtoythong | Chairman of Audit Committee | Term of holding office is 3 years |
| 2. | Mr. Vichit Yanamorn      | Member of Audit Committee   | Term of holding office is 3 years |
| 3. | Mr. Suvit Arunanondchai  | Member of Audit Committee   | Term of holding office is 3 years |

Mrs. Patama Wongtoythong is the audit director who has possessed knowledge and experience in reviewing the financial statements. Ms. Quanying Wongkasemjit has acted as the secretary to the Audit Committee.

### Scope of Duties and Responsibilities of the Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure they are suitable and effective, to determine an internal audit's independence as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations and the laws relating to the Company's businesses;
4. To consider, select and nominate an independent person to be the Company's auditor and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. To review connected transactions or transactions that may lead to conflict of interest to ensure they are in compliance with the laws and the Exchange's regulations and are reasonable and for the highest benefit of the Company;

6. To prepare and disclose in the Company's annual report a report of the Audit Committee which must be signed by the chair of the Audit Committee and consists of at least the following information;
- An opinion on the accuracy, completeness and creditability of the Company's financial reports;
  - An opinion on the adequacy of the Company's internal control system;
  - An opinion on the compliance with the law on securities and exchange, the Exchange's regulations or the laws concerning the Company's businesses;
  - An opinion on the suitability of an auditor;
  - An opinion on the transaction (s) that may lead to conflict of interest;
  - The number of the meetings of the Audit Committee and the attendance of such meetings by each member of the Audit Committee;
  - An opinion or overview comment obtained by the Audit Committee from their performances of duties in accordance with the charter; and
  - Other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors
7. To perform any other acts as assigned by the Company's Board of Directors, with the approval of the Audit Committee;
8. While performing duties, if the Audit Committee discovers or suspects any of the following transactions or activities that may pose a material impact on the Company's financial position or performance, the Audit Committee must report to the Board of Directors so that corrective actions could be timely taken:
- A transaction that may lead to conflict of interest;
  - A fraudulent or irregular transaction or a material error in the Company's internal control activity; and
  - A violation or breach of the law on securities and exchange, notifications and regulations of the SET, the SEC and the Capital Market Supervisory Board and laws relevant to the Company's businesses timely taken;
9. In performing its duties, the Audit Committee may seek for independent opinion or advice from independent professionals with the Company's expenses; and
10. In performing its duties, the Audit Committee may invite the Company's management, executives and employees to report, express their opinion, participate in the meeting or submit relevant documents for consideration by the Audit Committee.

The Board of Directors is empowered to amend scope of duties and responsibilities of the Audit Committee as it deems necessary.

#### Listing Condition

None

#### Silent Period

A shareholder, who own ordinary shares before the Company's public offering, holding 110,000,000 shares or 55% of total paid-up shares after the initial public offering, certified to the Stock Exchange of Thailand that his shares will not be sold for the period of one year from the first trading date. Upon the expiry of 6 months period of the prescribed time, the shareholder will be allowed to sell 25% of the total amount of shares prohibited for sale and the rest after one year.

Relaxation

None

Others

None

Statistical Summary

## Netbay Public Company Limited and its subsidiary

Year	Total Service Revenue (Baht Million)	Net Profit (Baht Million)	Earning per Share (Baht)	Dividend per Share (Baht)	Book Value per Share (Baht)	Payout Ratio (%)
2013	149.30	36.48	0.36 <sup>3</sup>	0.33 <sup>3</sup>	0.12 <sup>3</sup>	90.67%
2014	184.74	16.44	0.10 <sup>4</sup>	0.09 <sup>4</sup>	0.67 <sup>4</sup>	90.02%
2015	223.81	65.05	0.41 <sup>4</sup>	0.27 <sup>4</sup>	0.98 <sup>4</sup>	65.33%
For the 3-month period ended 31 March 2016	63.93	19.18	0.12 <sup>4</sup>	0.09 <sup>4</sup>	1.10 <sup>4</sup>	73.32%

**Note :** <sup>1</sup>The 2013 financial performance (cost and expense recognition) has been adjusted to make it comparable to 2014 financial performance

<sup>2</sup>The 2014 financial performance is referred from 2015 financial statement that has restated 2014 financial statement to make it comparable with 2015 financial statement. The restatement involved reflecting TAS 19 Employee Benefits.

<sup>3</sup> Computed by using 100 million shares with a par value of 1.00 Baht to make it is comparable

<sup>4</sup> Computed by using 160 million shares with a par value of 1.00 Baht

## Netbay Public Company Limited and its subsidiary

## Statement of Financial Position

	Pro-forma Financial Statement		Consolidated Financial Statement		Consolidated Financial Statement		Consolidated Financial Statement	
	31 Dec 2013		31 Dec 2014		31 Dec 2015		31 Mar 2016	
	Baht Million	%	Baht Million	%	Baht Million	%	Baht Million	%
<b>Assets</b>								
<b>Current Assets</b>								
Cash and cash equivalents	107.09	62.28	149.40	75.45	43.69	17.40	71.49	28.41
Short-term Investment	-	-	-	-	127.92	50.95	90.57	35.99
Trade and other receivables	23.97	13.94	31.17	15.74	32.66	13.01	40.96	16.28
Inventories	0.12	0.07	0.09	0.05	0.26	0.10	0.24	0.10
Other current assets	5.85	3.40	5.79	2.92	8.37	3.33	6.09	2.42
<b>Total current assets</b>	<b>137.03</b>	<b>79.69</b>	<b>186.45</b>	<b>94.16</b>	<b>212.90</b>	<b>84.79</b>	<b>209.35</b>	<b>83.19</b>

Non-current assets								
Restricted bank deposits	13.59	7.90	5.68	2.87	6.17	2.46	6.65	2.64
Other long-term investment	-	-	-	-	20.33	8.10	20.40	8.11
Equipment	17.35	10.09	1.24	0.63	5.79	2.30	7.90	3.14
Intangible assets	1.43	0.83	1.69	0.85	1.37	0.55	2.93	1.17
Deferred tax assets	2.56	1.49	1.97	0.99	2.36	0.94	2.46	0.98
Total non-current assets	-	-	0.98	0.49	2.17	0.86	1.97	0.78
<b>Total non-current assets</b>	<b>34.93</b>	<b>20.31</b>	<b>11.56</b>	<b>5.84</b>	<b>38.18</b>	<b>15.21</b>	<b>42.31</b>	<b>16.81</b>
<b>Total assets</b>	<b>171.96</b>	<b>100.00</b>	<b>198.01</b>	<b>100.00</b>	<b>251.08</b>	<b>100.00</b>	<b>251.67</b>	<b>100.00</b>
Liabilities and shareholders' equity								
Current liabilities								
Trade and other payables	7.42	4.32	12.21	6.17	8.38	3.34	9.58	3.81
Current portion of liabilities under finance lease agreements	8.33	4.84	8.13	4.11	-	-	-	-
Accrued expenses	9.30	5.41	33.76	17.05	32.52	12.95	13.48	5.36
Unearned income	17.95	10.44	23.87	12.05	29.95	11.93	28.80	11.44
Other current liabilities	2.56	1.49	3.63	1.83	10.53	4.19	10.48	4.16
<b>Total current liabilities</b>	<b>45.56</b>	<b>26.49</b>	<b>81.60</b>	<b>41.21</b>	<b>81.37</b>	<b>32.41</b>	<b>62.33</b>	<b>24.77</b>
Non-current liabilities								
liabilities under finance lease agreements—net of the current portion	8.13	4.73	-	-	-	-	-	-
Provision for long-term employee benefits	6.36	3.70	9.86	4.98	11.82	4.71	12.48	4.96
Other non-current liabilities	-	-	-	-	0.47	0.19	0.16	0.06
<b>Total non-current liabilities</b>	<b>14.49</b>	<b>8.43</b>	<b>9.86</b>	<b>4.98</b>	<b>12.29</b>	<b>4.90</b>	<b>12.64</b>	<b>5.02</b>
<b>Total liabilities</b>	<b>60.05</b>	<b>34.92</b>	<b>91.46</b>	<b>46.19</b>	<b>93.66</b>	<b>37.30</b>	<b>74.97</b>	<b>29.79</b>
Shareholders' equity								
Issued and paid-up capital	100.00	58.15	160.00	80.80	160.00	63.72	160.00	63.58
Retained earnings	68.76	51.62	23.40	11.82	74.25	29.57	93.42	37.12
Other components of shareholders' equity	(76.85)	(44.69)	(76.85)	(38.81)	(76.83)	(30.60)	(76.73)	(30.49)
<b>Total shareholders' equity</b>	<b>111.91</b>	<b>65.08</b>	<b>106.55</b>	<b>53.81</b>	<b>157.42</b>	<b>62.70</b>	<b>176.70</b>	<b>70.21</b>
<b>Total liabilities and shareholders' equity</b>	<b>171.96</b>	<b>100.00</b>	<b>198.01</b>	<b>100.00</b>	<b>251.08</b>	<b>100.00</b>	<b>251.67</b>	<b>100.00</b>

Netbay Public Company Limited and its subsidiary

Statement of Comprehensive Income

	Pro-forma Financial Statement for the year ended		Consolidated Financial Statement for the year ended		Consolidated Financial Statement for the year ended		Consolidated Financial Statement for the 3-month period ended			
	31 Dec 2013		31 Dec 2014 (Restate)		31 Dec 2015		31 Mar 2015		31 Mar 2016	
	Baht Million	%	Baht Million	%	Baht Million	%	Baht Million	%	Baht Million	%
Service Income	149.30	100.00	184.74	100.00	223.81	100.00	51.37	100.00	63.93	100.00
Cost of services	(43.50)	(29.14)	(56.77)	(30.73)	(50.22)	(22.44)	(11.83)	(23.03)	(13.64)	(21.33)
<b>Gross profit</b>	<b>105.80</b>	<b>70.86</b>	<b>127.97</b>	<b>69.27</b>	<b>173.59</b>	<b>77.56</b>	<b>39.53</b>	<b>76.97</b>	<b>50.29</b>	<b>78.67</b>
Other income	2.40	1.61	0.48	0.26	1.41	0.63	0.21	0.42	0.76	1.19
<b>Profit before operating expenses</b>	<b>108.20</b>	<b>72.47</b>	<b>128.45</b>	<b>69.53</b>	<b>175.00</b>	<b>78.19</b>	<b>39.75</b>	<b>77.38</b>	<b>51.05</b>	<b>79.85</b>
Servicing expenses	(29.85)	(19.99)	(34.64)	(18.75)	(32.43)	(14.49)	(8.43)	(16.41)	(9.59)	(15.00)
Administrative expenses	(38.54)	(25.81)	(72.96)	(39.49)	(74.17)	(33.14)	(14.03)	(27.32)	(21.04)	(32.91)
<b>Profit before finance costs and income tax expenses</b>	<b>39.81</b>	<b>26.66</b>	<b>20.85</b>	<b>11.28</b>	<b>68.40</b>	<b>30.56</b>	<b>17.29</b>	<b>33.66</b>	<b>20.42</b>	<b>31.95</b>
Finance costs	(1.36)	(0.91)	(0.82)	(0.44)	(0.26)	(0.11)	(0.12)	(0.23)	0.00	0.00
<b>Profit before income tax expenses</b>	<b>38.45</b>	<b>25.75</b>	<b>20.03</b>	<b>10.84</b>	<b>68.14</b>	<b>30.45</b>	<b>17.17</b>	<b>33.43</b>	<b>20.42</b>	<b>31.95</b>
Income tax revenue (expenses)	(1.97)	(1.32)	(3.59)	(1.94)	(3.09)	(1.38)	(0.76)	(1.48)	(1.25)	(1.95)
<b>Profit for the period</b>	<b>36.48</b>	<b>24.43</b>	<b>16.44</b>	<b>8.90</b>	<b>65.05</b>	<b>29.07</b>	<b>16.41</b>	<b>31.95</b>	<b>19.18</b>	<b>30.00</b>

Note : The 2014 financial performance is referred from 2015 financial statement that has restated 2014 financial statement to make it comparable with 2015 financial statement. The restatement involved reflecting TAS 19 Employee Benefits.

Netbay Public Company Limited and its subsidiary

Statement of Cash Flows

	Pro-forma Financial Statement for the year ended	Consolidated Financial Statement for the year ended	Consolidated Financial Statement for the year ended	Consolidated Financial Statement for the 3-month period ended	
	31 Dec 2013	31 Dec 2014 (Restate)	31 Dec 2015	31 Mar 2015	31 Mar 2016
	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million
Net cash flows generated by (used in) operating activities	69.98	65.29	71.22	2.54	(5.15)
Net cash flows generated by (used in) investing activities	56.25	(47.39)	(154.15)	(1.49)	32.94
Net cash flows generated by (used in) financing activities	(35.73)	44.35	(22.79)	(2.29)	0.00

	Pro-forma Financial Statement for the year ended	Consolidated Financial Statement for the year ended	Consolidated Financial Statement for the year ended	Consolidated Financial Statement for the 3-month period ended	
	31 Dec 2013	31 Dec 2014 (Restate)	31 Dec 2015	31 Mar 2015	31 Mar 2016
	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million
Net change in cash	90.50	62.24	(105.72)	(1.24)	27.80
Beginning cash	16.59	87.16 <sup>1</sup>	149.40	149.40	43.69
Ending cash	107.09 <sup>1</sup>	149.40	43.69	148.17	71.49

**Note :** <sup>1</sup> The ending cash balance as of 31 Dec 2013 does not equal to the beginning cash balance for the year ended 2014 as the ending cash balance of 2013 is referred from the Pro-forma Financial Statement, which was prepared to reflect the group structure after the restructuring to make it comparable with the statement of cash flow for 2014 and 2015.

Prepared by : Maybank Kim Eng Securities (Thailand) Public Company Limited

We hereby certify that all the information as showed above is accurate and complete.

Netbay Public Company Limited

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(Pichit Viwatrujirapong)

Director

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(Pichai Asavanapakas)

Director



