

Analysis (MD&A) of operating results for the fourth quarter and the year as of 2016

Statement of Income

Revenues

In the fourth quarter and the year as of 2016, the Company had the revenue in the aggregate amount of 1,073 million Baht and 3,372 million Baht respectively, decreasing from the same period of the previous year in the aggregate amount of 1 million Baht and 10 million Baht or in the decreasing rate of 0.2% and 2.4 % respectively as the recognition of development and systemization works 'revenues were decreased accordingly from main factor of wholly economic deceleration in both governmental and private sectors and the Company sold the investments in one subsidiary company, thus, the Company had the profit from selling the investments in the subsidiary company in the aggregate amount of 72.72 million Baht as specified in the profit and loss statement of exclusive business under "profit from selling the investments in the subsidiary company" The Company recorded the difference result from subsidiary company's loss of control which was stated as the loss and profit for the period of whole financial statement and the Company recorded the profit from price appraisal of fair value of remaining investments at the aggregate amount of 39.34 million baht plus the profit from selling and appraising the fair value of remaining investments in the aggregate amount of 112.07 million Baht correspondingly.

Cost of products and services

The Fourth Quarter and the year as of 2016, the Company had the cost of products and services in the aggregate amount of 838 million Baht and 2,527 million Baht respectively, increasing (decreasing) from the same period of the previous year in the aggregate amount of 42 million Baht and (12) million Baht or in the increasing (decreasing) rate of 5.3% and (0.5)% respectively.

Selling and administrative expenses

The Fourth Quarter and the year as of 2016, the Company had selling and administrative expenses in the aggregate amount of 190 million Baht and 567 million Baht respectively, increasing from the same period of the previous year in the aggregate amount of 5 million Baht and decreasing in the aggregate amount of 21 million Baht or in the increasing rate of 3% and decreasing rate of 3.6% respectively as the control of expenses decreasing has been worked out efficiently

and the consideration of investments devaluation in one subsidiary company of the Fourth Quarter in the aggregate amount of 46 million Baht, thus, the selling and administrative expenses of the Fourth Quarter increased from the Fourth Quarter in the year as of 2015.

Corporate Income Tax

The Fourth Quarter and the year as of 2016, the Company had the burden of corporate income tax in the aggregate amount of 13.8 million Baht and 55.3 million Baht respectively, decreasing in the aggregate amount of 11.7 million Baht and increasing in the aggregate amount of 3.2 million Baht from the same period of the previous year or in the decreasing rate of 6% and increasing rate of 46% respectively as the operating result of the Fourth Quarter increased and operating result of the year as of 2016.

Profit for the period

The Fourth Quarter and the year as of 2016, the Company had the profit for the period in the aggregate amount of 30 million Baht and 222 million Baht respectively, decreasing in the aggregate amount of 58 million Baht and increasing in the amount of 25 million Baht from the same period of the previous year or in the decreasing rate of 65.9% and increasing rate of 12.8% respectively. As for the fourth quarter, the Company had extraordinary item that is the consideration of one subsidiary company's devaluation in the aggregate amount of 46 million Baht, therefore, the selling and administrative expenses in the Fourth Quarter increased substantially. And in the year as of 2016, the Company had extraordinary item in relation with the consideration of one subsidiary company's investments devaluation in the aggregate amount of 46 million Baht and the Company sold the investments of one subsidiary company, therefore, the Company had profit from selling such investments in the aggregate amount of 72.72 million Baht as stated in the exclusive profit and loss statement for the period under "profit from selling the investment in the subsidiary company". The Company recorded the difference result from subsidiary company's loss of control which was stated as the loss and profit for the period of whole financial statement and the Company recorded the profit from price appraisal of fair value of remaining investments at the aggregate amount of 39.34 million baht plus the profit from selling and appraising the fair value of remaining investments in the aggregate amount of 112.07 million Baht correspondingly.

Comprehensive Profit for the period

In the fourth quarter, the Company had profit for the period in the aggregate amount of 35 million Baht, decreasing in the aggregate amount of 54 million Baht from the Fourth Quarter of the year 2015 or in the rate of 61% as the Fourth

Quarter, the Company has extraordinary item in connection with the consideration of one subsidiary company's investments devaluation in the aggregate amount of 46 million Baht and in the year as of 2016, the Company had the profit for the period in the aggregate amount of 227 million Baht, increasing in the aggregate amount of 29 million Baht from the same period of the previous year or the increasing rate of 14.9% respectively as in the year as of 2016, the Company had extraordinary item that is the consideration of one subsidiary company's devaluation in the aggregate amount of 46 million Baht and the Company sold the investments of one subsidiary company, therefore, the Company had profit from selling such investments in the aggregate amount of 72.72 million Baht as stated in the exclusive profit and loss statement for the period under "profit from selling the investment in the subsidiary company". The Company recorded the difference result from subsidiary company's loss of control which was stated as the loss and profit for the period of whole financial statement and the Company recorded the profit from price appraisal of fair value of remaining investments at the aggregate amount of 39.34 million baht plus the profit from selling and appraising the fair value of remaining investments in the aggregate amount of 112.07 million Baht correspondingly.

Statement of Financial Position

Assets

As of December 31, 2016, the total asset amounted to 3,328 million Baht, increased 188 million Baht or in the increasing rate of 6% compared with the previous year in which the current assets increased in the aggregate amount of 194 million Baht from related items such as increasing of cash plus items equal with cash and temporary investments in the aggregate amount of 141 million Baht, decreasing of account receivable and other debtors in the aggregate amount of 393 million Baht in which most of debts were not due, debtors in accordance with financial lease agreement in which the debt decreased in the aggregate amount of 5 million Baht, income which is not claimed for payment in the aggregate amount of 49 million Baht, decreasing of cost of works waited for implementation in the aggregate amount of 34 million Baht and decreasing of non - current assets in the aggregate amount of 7 million Baht in compliance with the proceedings of works implementation.

Liabilities

As of December 31, 2016, the total, the total debts amounted to 1,344 million Baht, increased 120 million Baht or in the increasing rate of 10% compared with the previous year from related items such as decreasing of overdraft, short-term loan and trustee creditor in the aggregate amount of 30 million Baht,

increasing of trade account payable and other creditors in the aggregate amount of 65 million Baht, increasing of unearned revenue in aggregate amount of 81 million Baht, decreasing of outstanding expenses in the aggregate amount of 12 million Baht, cost which is not claimed for payment in the aggregate amount of 17 million Baht and increasing of commitments of employee in the aggregate amount of 6 million Baht.

Shareholders' Equity

As of December 31, 2016, the total liabilities amounted to 1,977 million Baht, increased 82 million Baht or in the increasing rate of 4% compared with the previous year as the Company had comprehensive profit for the period as of year 2016 in the aggregate amount of 227 million Baht and payment of dividends for the operating result as of year 2015 to all shareholders in the aggregate amount of 147 million Baht.

Financial Ratios

The necessary ratios are illustrated below.

MFEC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL RATIOS
FOR THE PERIOD END Dec 31, 2016, 2015, 2014

Ratio		Consolidated		
		Year 2016	Year 2015	Year 2014
LIQUIDITY RATIO				
Current ratio	Times	1.99	2.02	1.74
Quick ratio	Times	1.24	1.21	0.97
LEVERAGE RATIOS				
Debt to Equity ratio (DE ratio)	Times	0.68	0.64	0.83
Debt to Asset ratio (DA ratio)	Times	0.40	0.39	0.45
Times Interest Earned	Times	92.46	46.61	33.94
PROFITABILITY RATIO				
Gross profit margin	%	21.53%	23.82%	18.73%
Net Profit Margin	%	6.58%	5.85%	5.50%
Return on total asset (ROA)	%	6.66%	6.30%	8.15%
Return on equity (ROE)	%	11.37%	10.27%	15.32%
Earning Per Share (EPS)	Baht	0.50	0.45	0.65
Book Value Per Share (BV)	Baht	4.48	4.34	4.38