

## Analysis of Operation Result in the quarter 1/2016

### **The statement of Income**

#### **Revenues**

In the quarter 1/2016, MFEC and its subsidiaries had gained revenue in the amount of 631 million baht, lower than the same period of the previous year for 97 million baht, or 13 percent, as a result of the recognition of revenue from System Integration and Development which decreased 105 million baht from the same period of the previous year, according to the economic downturn which caused the reduction of investment in System Integration and Development in business sector.

#### **Cost of sales and service**

In the quarter 1/2016, MFEC and its subsidiaries had cost of sales and service in the amount of 489 million baht, lower than the same period of the previous year for 50 million baht, or 9 percent, while the decrease in revenue is 13 percent because gross profit margin in this quarter was 21.5 percent, reduced 3.6 percent from the same period of the previous year.

#### **Selling and Administrative expenses**

In the quarter 1/2016, MFEC and its subsidiaries had selling and administrative expenses in the amount of 118 million baht, lower than the same period of the previous year for 16 million baht, or 12 percent, due to the expense control in insistence with the reduce revenue.

#### **Corporate Income Tax**

In the quarter 1/2016, MFEC and its subsidiaries had corporate income tax in the amount of 6 million baht, lower than the same period of the previous year for 4 million baht, or 40 percent, due to the decreased profit.

#### **Profit for the period**

In the quarter 1/2016, MFEC and its subsidiaries had profit for the period in the amount of 18 million baht, lower than the same period of the previous year for 30 million baht, or 61 percent, because of the reduced revenue and the increased cost of sales ratio that lead to the decrease of gross profit margin comparing to the previous year.

#### **Total comprehensive income for the period**

In the quarter 1/2016, MFEC and its subsidiaries had total comprehensive income for the period in the amount of 19 million baht, lower than the same period of the previous year for 25 million baht, or 57 percent, because of the reduced revenue and the increased cost of sales ratio that lead to the decrease of gross profit margin comparing to the previous year.

## **The Statement of Financial Position**

### **Assets**

As of 31 March 2016, MFEC and its subsidiaries had total assets in the amount of 2,860 million baht, which was decreased 281 million baht, or 9 percent, from the previous year, due to several reasons such as that the amount of cash and cash equivalent and short-term investments increased 115 million baht, the amount of unbilled receivable increased 61 million baht, the amount of trade and other accounts receivable decreased 364 million baht because most of the receivables were not due yet, the amount of short-term loan to related parties decreased 10 million baht, the amount of cost of work in process was decreased 69 million baht in accordance with the implementation process, and the amount of non-current assets decreased 9 million baht.

### **Liabilities**

As of 31 March 2016, MFEC and its subsidiaries had total assets in the amount of 926 million baht, which was decreased 299 million baht, or 24 percent, from the previous year, due to several reasons such as that the amount of trade and other accounts payable decreased 245 million baht, the amount of accrued expenses decreased 115 million baht, and the amount of deferred income increased 62 million baht.

### **Shareholders' equity**

As of 31 March 2016, MFEC and its subsidiaries had total shareholder's equity of the parent company in the amount of 1,914 million baht, which was increased 19 million baht, or 1 percent, from the previous year, due to the total comprehensive income for the period of 19 million baht.

### **Financial Ratios**

The significant financial ratios are shown as follows.

Ratios	As of 31 March 2016	As of 31 March 2015
Current ratio (times)	2.4	2.1
Debt to Equity ratio (times)	0.5	0.6
Gross profit margin (%)	21.5	25.1
Net margin (%)	2.9	5.9
Book Value Per Share (baht)	4.4	4.5

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