



รายงานประจำปี 2553  
ANNUAL REPORT 2010



TV Commercial Production  
Event Organization Services  
Television Program  
Equipment Rental & Services  
Cheeze Magazine

บริษัท แม็ทซิ่ง แม็ทซ์โซลูชั่น โซลูชั่น จำกัด (มหาชน)  
MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED

# จุดเด่นทางการเงินของกลุ่มบริษัทแม็คซิ่ง ปี 2553

## Financial Highlights 2010

(หน่วย / Unit : พันบาท / Thousand Baht)

รายการ : Details	2551 : 2008	2552 : 2009	2553 : 2010
<b>ผลการดำเนินงาน : Performance</b>			
รายได้จากการบริการ Service revenue	655,047	584,811	601,857
รายได้จากการขาย Sale revenue	34,784	48,958	56,694
<b>รวมรายได้ : Total revenue</b>	<b>696,532</b>	<b>637,061</b>	<b>664,152</b>
ต้นทุนขายและให้บริการ Cost of sales and services	480,002	469,630	438,298
ค่าใช้จ่ายในการขายและบริหาร Selling and administrative expenses	171,754	182,817	172,241
หนี้สงสัยจะสูญ (โอนกลับรายการ) Bad and doubtful debts (reversal)	990	1,601	6,746
ขาดทุนจากการเลิกใช้ทรัพย์สิน Loss from impairment assets	649	961	14
<b>รวมค่าใช้จ่าย : Total expenses</b>	<b>653,395</b>	<b>655,009</b>	<b>617,299</b>
ค่าใช้จ่ายทางการเงิน Financial expense	6,929	5,387	3,984
ภาษีเงินได้นิติบุคคล Income tax	3,836	5,958	14,863
กำไร (ขาดทุน) สุทธิ Net profit (Loss)	32,372	(29,293)	28,006
<b>ฐานะการเงิน : Financial status</b>			
สินทรัพย์รวม Total assets	548,054	560,799	628,549
หนี้สินรวม Total liabilities	142,152	206,070	179,685
ส่วนของผู้ถือหุ้น Shareholders' equity	405,902	354,729	448,864

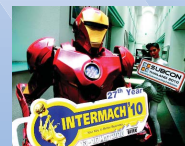
## ตารางแสดงอัตราส่วนทางการเงิน : Financial ratios

รายการ : Details		2551 : 2008	2552 : 2009	2553 : 2010
อัตราส่วนสภาพคล่อง : Liquidity ratio	(เท่า : time)	1.94	1.71	2.48
อัตราส่วนกำไรขั้นต้น : Gross profit margin	(%)	30.42	25.90	33.45
อัตราส่วนกำไรจากการดำเนินงาน : Operating profit margin	(%)	5.52	(2.95)	7.29
อัตราส่วนกำไรสุทธิ : Net profit margin	(%)	4.65	(4.60)	4.22
อัตราผลตอบแทนผู้ถือหุ้น : Return on equity	(%)	8.31	(7.70)	6.97
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น : Debt to equity ratio	(เท่า : time)	0.35	0.58	0.40
อัตราการจ่ายเงินปันผล : Dividend payout ratio	(%)	0	76.28	0
กำไรต่อหุ้น : EPS	(เท่า : time)	0.15	(0.14)	0.13



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# Event Organization Services







# TV Commercial

*Production Business*



เราจะช่วยคนไทย

# ปลดหนี้



Television Program





# EQUIPMENT RENTAL & SERVICES

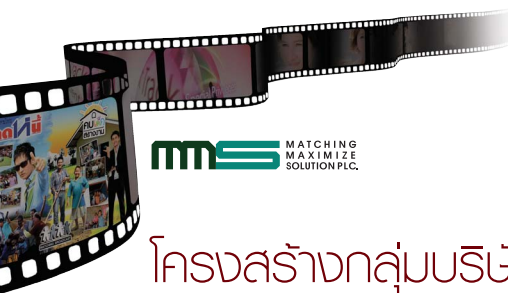
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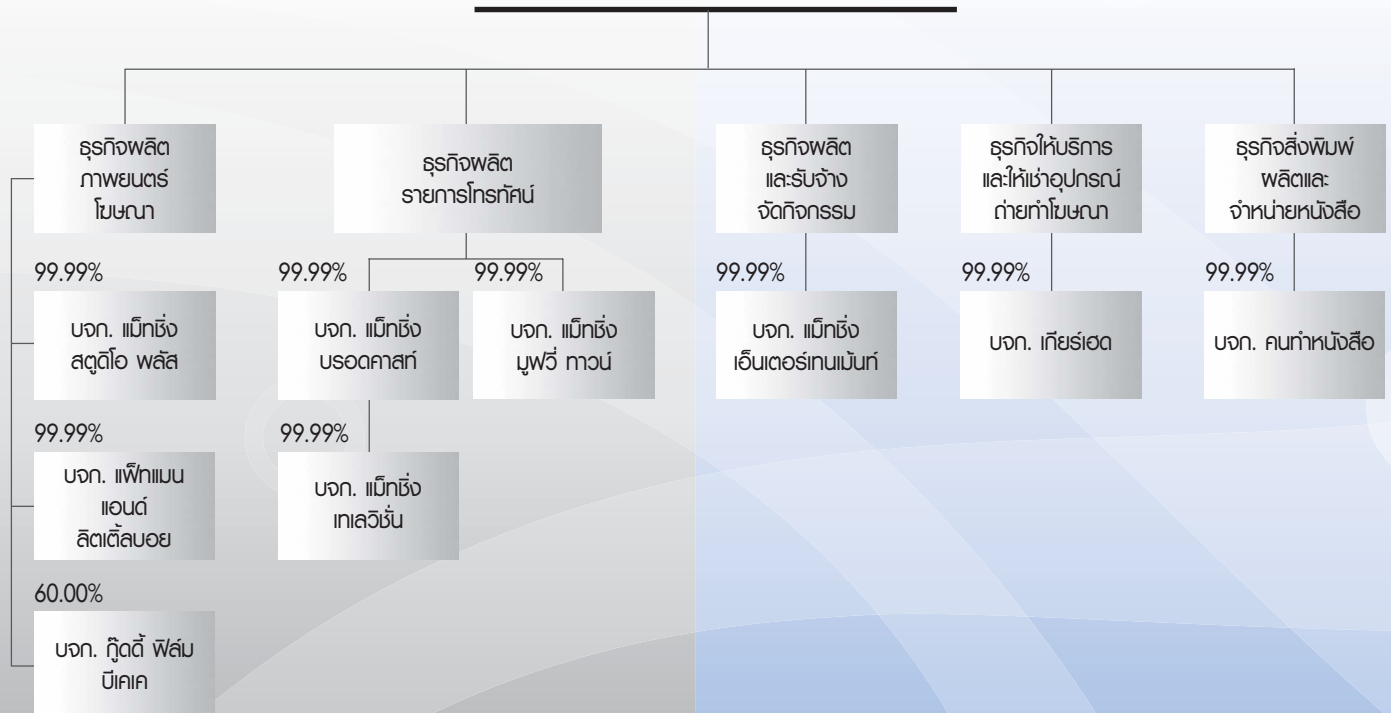






# โครงสร้างกลุ่มบริษัท แม็กซิ่ง แม็กซีโมซ์ โซลูชั่น จำกัด (มหาชน)

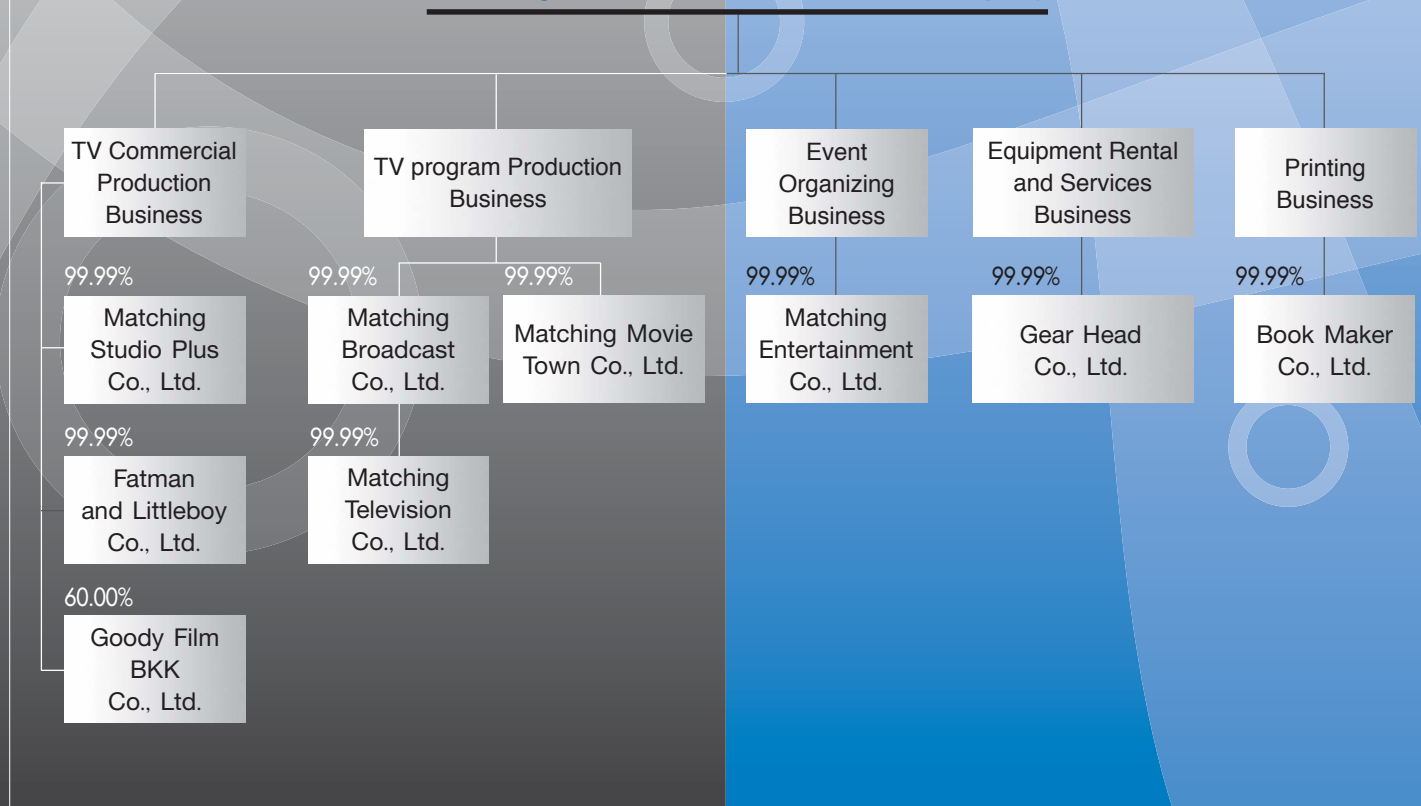
## บริษัท แม็กซิ่ง แม็กซีโมซ์ โซลูชั่น จำกัด (มหาชน)



8

## Matching Maximize Solution Group Structure

### Matching Maximize Solution Public Company





## Messages from the Board of Directors

The year 2010 was another challenging year for business operations, especially during the beginning of the year when the Company was negatively affected by the political uncertainties, a sharp fluctuation in the domestic politics, the people's less confidence in the government's policies, and the spending of the state and private organizations. Taking into account all of these factors, the Company carefully adjusted its strategies for planning, marketing as well as effectively joining force with its subsidiaries to achieve its full potential to respond to customers' demand.

In 2010, the Company saw several areas of development, some of which are discussed below.

- The Company was renamed "Matching Maximize Solution Public Company Limited."
- The shareholding structure was changed after the existing major shareholder, BBTV Production Company Limited (i.e. a company under the Bangkok Broadcasting & TV Company Limited) raised its holding to 68.48 percent. Benefiting from this new shareholding structure, the Company could continuously strengthen its revenue growth as well as enhancing its potential for profit growth.

As for the earnings performance of 2010, given the Company's emphasis on doing business based on a good corporate governance as well as the adjustments made to be in line with the circumstances, TV commercial production, TV program production, equipment rental and services, printing businesses remained the major contributors to the Company's profit growth. All in all, the Company's and its subsidiaries reported a strong net profit amounting to Baht 28.00 million, for a massive gain of 195.60 percent on a year-on-year basis.

On behave of the Board of Directors and Management, we would like to express my deep gratitude towards all shareholders, investors, customers, and all relevant people for their continuous trusts and support. We would also like to express my sincere gratitude for the contributions made by all employees who made every effort to drive the Company's growth in a sustainable way. The Boards of Directors and Management are committed to the management with transparency and good corporate governance in order to bring the full benefit to all parties.

Yours sincerely,



(Mr. Somchai Cheewasutthanon)  
Chairman of the Executive Committee



(Mr. Somrit Srithongdee)  
Chairman of the Board of Directors





# Audit Committee's Report

## Dear Shareholders of Matching Maximize Solution Public Company Limited

The Audit Committee of Matching Maximize Solution Public Company Limited, which was appointed by the Company's Board of Directors, consisted of 3 independent directors and the director of the Internal Audit and System Development Department was appointed as a secretary to the Audit Committee.

The Audit Committee was responsible for examining and ensuring that the Company ran the business in accordance with the good corporate governance principles. In addition, the Audit Committee also examined whether the Company's financial statement was accurate and reliable and that the Company's internal audit was efficient. On top of that, the Audit Committee had to examine that the Company's operating performances went in line with the policies set forth by the Company's Board of Directors, without any conflicts of interests, and also be in accordance with the related regulations. Meanwhile, any connected transactions should also be adequately disclosed, in accordance with the laws. The Audit Committee also considered proposing authorized auditors for an approval from the Company's Board of Directors before seeking an approval from the annual shareholder meeting. Finally, the Audit Committee was also responsible for disclosing the Audit Committee's report in the Company's annual reports and also performing other duties as assigned by the Company's Board of Directors.

During the year 2010, the Audit Committee convened a total of 5 meetings, where the authorized auditor, Management and the internal auditor attended. One, out of these 5 meetings, was the meeting of only the Audit Committee and the authorized auditor, without the presence of the Management. The Meetings considered the following key issues.

- 1. Good Corporate Governance:** Emphasizing on the good corporate governance within the company, the Board of Directors set forth good corporate governance policies, as well as putting in place the Code of Ethical Business for all directors and employees to comply with in order to enhance values of its business. The Audit Committee examined whether the Company operated business, based on the good corporate governance practices through the meetings with the Company's Management, internal auditors. The meetings could provide the guidelines of good corporate governance practices as well as creating the same understanding among employees so that they could follow the policies. In 2010, the Board of Directors and the Management supported the Company in practicing and following the principles to maintain the rights of all of the Company's stakeholders. The Company also disclosed information sufficiently and appropriately, in accordance with the regulations set forth by the Stock Exchanges of Thailand (SET) and Securities and Exchange Commission (SEC). Finally, the Company updated the good corporate governance principles at least one a year in order to make sure that the Company's corporate governance policies were appropriate, up-to-date, and in accordance with the regulations set forth by the authorities.
- 2. Review of Financial Statement:** The Audit Committee reviewed the interim financial statements and annual financial statements of the Company and its subsidiaries. The results of the review/ audit of the financial statements were disclosed in the meetings attended by the Management and internal auditor, and the authorized auditor. In the meeting the Audit Committee also raised some matters as well as suggestions based on the review/audit and also reported the auditing plans and the independence of the authorized auditor. After the review of the Audit Committee, the audit reports were presented to the Company's Directors for consideration or approval. For 2010, the Audit Committee all agreed that the Company's financial statements were accurate and in compliance with the generally-accepted accounting standards.



3. **Internal control system:** The Audit Committee reviewed the work of the Company's internal control system in the meetings with the internal auditors. In the meetings, the Audit Committee also gave some suggestions about audit working plans, budgets, personnel development and the independence of the internal auditors. The Audit Committee also followed up the progress of development works suggested by the internal auditors and the authorized auditor. The Management was invited to provide the information about the Company's internal controls and the improvement based on the suggestions of the auditors in order to minimize risks from operation. An example of such suggestions was that the Company provided written handbooks for the employees to follow. Finally, for 2010, the Audit Committee opined that the Company's internal control system was adequate and appropriate under the current situations.
4. **Following the laws and policies set forth by the Board of Directors:** The Audit Committee examined whether the Company followed the laws and policies set forth by the Board of Directors through the auditing process of the Company's internal auditors and the authorized auditor. The Audit Committee arranged meetings with the Management, the authorized auditor and the internal auditors to consider whether the Company complies with the laws and policies set forth by the Company's Board of Directors. For 2010, the Audit Committee viewed that the Company followed the laws and found no actions that violated the laws.
5. **Review of connected transactions that may have caused conflicts of interests:** The Audit Committee reviewed the connected transactions that may have caused conflicts of interests through auditing processes of the internal control system and the authorized auditor. The Audit Committee had a meeting with the Management, the internal auditors, and the authorized auditors in order to obtain the information about connected transactions and to prevent possible conflicts of interests. In 2010, the Audit Committee opined that the Management followed the Code of Ethics in working and prevented any possible conflicts of interests, in compliance with the laws and regulations of the Stock Exchange of Thailand.
6. **Selection and appointment of the authorized auditor:** The Audit Committee considered the dependency, qualifications of the authorized auditor. In addition, the Audit Committee, together with the Management, also evaluated the performance of the authorized auditor of the past fiscal year and considered remunerations, compared with other audit company. For the year of 2011, the Audit Committee proposed that the Board of Directors appoint Miss Chantira Wongsriudomporn or Mr. Thanawut Phiboonsawat, or other authorized auditors approved by the SEC from Dharmniti Auditing Co., Ltd. as the Company's auditor.
7. **Report of the performance results of the Audit Committee to the Board of Director:** The Audit Committee reported its performances based on the scope of responsibilities to the Board of Directors at least once a quarter. In addition, the Audit Committee also offered suggestions and additional opinions that were useful for the Company's management and administration in order to boost confidence among shareholders, investors, stakeholders of the Company.



(Mr. Akarat Na Ranong)  
Chairman of the Audit Committee



# History and General Information of the Company

Matching Maximize Solution Public Company Limited (formally known as Matching Studio Public Company Limited) was founded on October 27, 1992, with an initial registered capital of Baht 1 million by Mr. Somchai Cheewasutthanon and Mr. Thanisaphong Sasinmanop. At present the Company provides the branding solution services that include providing consultancy services, setting brand strategies, identifying communication strategies, designing and producing commercials based on a through-the-line technique, producing above-the-line media including a production house business, publishing, outdoor media, and offering below-the-line services, e.g., organizing events, and etc. At its early stage, the company comprised 16 employees. Over the past 18 years, with the quality of work that measured up customer's demand, the Company had continuously expanded its business by increasing its capital and number of employees especially the directors who were highly respected by those who were both within the media industry and outside the industry. As of December 31, 2010, the Company's paid up capital amounted to Baht 259.14 million with 54 employees. Including the employees at its subsidiaries, the Company's employees totaled 383 persons and its directors at the Company and subsidiary totaled 6 directors. The Company's office is located at 305/10 Soi Sukothai 6, Sukothai Road, Dusit, Bangkok.

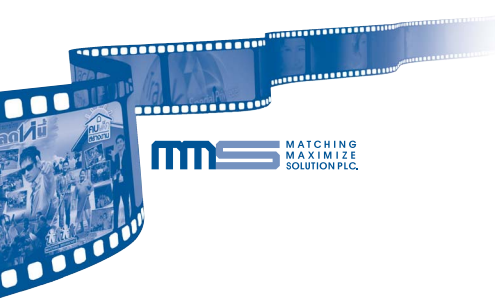
## History of capital increase and important development of the Company

1992	<ul style="list-style-type: none"> <li>Matching Maximize Solution Public Company Limited (formally known as Matching Studio Public Company Limited) was established with Baht 1 million registered capital, i.e. 10,000 shares at par value of Baht 100 per share, to operate TV commercial production business.</li> </ul>
2000	<ul style="list-style-type: none"> <li>The Company increased its registered capital from Baht 1 million to Baht 7 million to support its business expansion.</li> </ul>
2002	<ul style="list-style-type: none"> <li>In September, the Company restructured its group of companies. Gearhead Co., Ltd., Matching Entertainment Co., Ltd., and Fatman &amp; Little Boy Co., Ltd., which had the same groups of the Company's major shareholders, became its subsidiaries in order to promote transparency in conducting business.</li> <li>The Company raised its registered capital from Baht 7 million to Baht 20 million and to Baht 90 million within the same year. The par value was split from Baht 100 into Baht 5 divided into 18 million shares. The Company formed 2 more subsidiaries, Matching Broadcast Co., Ltd. and Matching Motion Pictures Co., Ltd., to provide fully integrated TV commercial advertising services from equipment and production services, including business expansion of the Group into a more entertainment and recreation services such as TV programs production, event shows and featured films.</li> </ul>
2003	<ul style="list-style-type: none"> <li>In August, the Company had a par split from Baht 5 to Baht 1</li> <li>During the same year, the Company set up 3 more subsidiaries, namely Matching Movie Town Co., Ltd., Book Maker Co., Ltd. and Goody Film BKK Co., Ltd., to offer a wider range of entertainment and recreation services of the Group. Additionally, it invested in an affiliate called Take A Look Co., Ltd., which was a joint venture business with Samart I-Mobile Plc. to operate LED billboard outdoor media</li> </ul>



	<ul style="list-style-type: none"> <li>In December, the BOD approved to raise the Company's registered capital to Baht 249,500,000 to reserve for the Right Offering of warrants amounted 108,000,000 units at a ratio of 5 existing shares to 4 units of warrant and for ESOP-W in the amount of 6,500,000 warrants.</li> </ul>
2004	<ul style="list-style-type: none"> <li>In February, the Company had a Right Offering of MATCH-W1 amounted 108,000,000 units at Baht 0 with the exercise ratio of 1:1.</li> <li>The paid-up capital of the Company was increased to Baht 207,742,457 for a Private Placement of BBTB Productions Co., Ltd., in order to support the business expansion, to increase the efficiency in business operation of Matching Group, and to increase its potential to gain more market share. Consequently, the Company has moved from trading in Market for Alternative Investment (MAI) to the Stock Exchange of Thailand (SET).</li> <li>In July, Matching Group, led by Matching Broadcast Co., Ltd. (100 percent owned by Matching Maximize Solution Plc.), has expanded the production and management of TV program by establishing Matching Television Co., Ltd.</li> </ul>
2005	<ul style="list-style-type: none"> <li>In March, the Company sold the entire stake in Take A Look Co., Ltd., an affiliate, back to the other two strategic investors, Samart Info Media Co., Ltd., a subsidiary of Samart I-Mobile Plc., and Master Ad Plc. to prevent conflict of interest since Matching Movie Town Co., Ltd. The amount of sales totaled 1,249,996 shares or equivalent to 24.99 percent of total paid-up capital of Baht 50 million at par value of Baht 10 per share. This was to prevent a conflict of interest between the affiliate and a subsidiary i.e. Matching Movie Town Co., Ltd. since they started similar business operations of LED Billboard electronic media.</li> <li>The Company raised its stakeholding in Book Maker Co., Ltd. from 12,000 shares which accounted for 60 percent to 20,000 shares or 100 percent</li> <li>The Company invested in a joint venture with Bangkok Broadcasting &amp; TV Co., Ltd. and BBTB Productions Co., Ltd. to organize Miss Universe 2005 contest in Thailand. Its total investment value, one third of total investment (i.e. the company invested three times in 2005), was Baht 71.53 million in total.</li> </ul>
2006	<ul style="list-style-type: none"> <li>In August, Matching Broadcast Co., Ltd (100 percent owned by Matching Maximize Solution Plc.) increased its investment in Matching Television Co. Ltd from 65 percent to 100 percent in order to boost its management flexibility.</li> </ul>
2007	<ul style="list-style-type: none"> <li>In June, Matching Motion Pictures Co., Ltd increased its capital from Baht 20 million to Baht 130 million on order to appropriately restructure its capital structure.</li> <li>In November, the Company received approval from the Securities and Exchange Commission to issue warrant for its directors and employees of the Company and its subsidiaries for 10,000,000 units with 3 years maturity from the date of issuance. The first exercise date was May 15, 2008 and the last exercise was November 2010. The exercise ratio was 1 warrant: 1 share with exercise price of Baht 1 per share.</li> </ul>
2008	<ul style="list-style-type: none"> <li>In May, there were warrant exercises of 315,000 units of ESOP II with the proceeds amounting to Baht 315,000.</li> <li>In July, Gear Head Co., Ltd increased capital from Baht 80 million to Baht 130 million in order to support its debt restructuring plans.</li> </ul>





- In July, Matching Entertainment Co., Ltd increased capital from Baht 10 million to Baht 40 million to support its debt restructuring plans.
- In November, there were warrant exercises of 140,000 units of ESOP II that generated the proceeds of Baht 140,000

#### 2009

- In April, the 2009 Annual Shareholder Meeting approved the Company's plan to lower the registered capital from Baht 411,000,000 to Baht 217,815,057 due to the expiration of Company's first warrants MATCH-W1 and the warrants for buying the Company's common shares, which were offered to BBTB Production Co. In addition, the Meeting also approved its plan to increase the registered capital to Baht 324,000,000 to support the issuance of second warrants MATCH-W2 which were allocated to the existing shares, i.e. 2 existing common shares: 1 warrant, worth totally 103,431,861 units.
- In May the Company announced to pay dividends from the accumulated income as of December 31, 2009, at Baht 0.10 per share, which translated to the dividend payment amounting to Baht 20.69 million.
- In October, 3 major share holders decided to sell 46 million common shares to BBTB Production Co., for Baht 3 per share, which were equivalent to 22.01 percent of issued and paid up share capital. In addition, they also decided to sell the warrants of 16.30 million units for Baht 1.60 per unit, which accounted for 15.76 percent of the remaining warrants. Therefore, the stakeholding of BBTB Production Co. increased from 27.73 percent to 49.65 percent

#### 2010

- In January, Matching Motion Pictures Co., Ltd., was renamed Matching Studio Plus Co., Ltd., to support the TV commercial production business.
- In May, Matching Studio Public Company Limited was renamed Matching Maximize Solution Public Company Limited to provide the branding solution services.
- In September, BBTB Productions Co., Ltd., exercised the right to purchase second warrants, MATCH-W2, with the exercise ratio of 1 warrant: 1 share and the exercise price of Baht 1.40 per share, for the total of 45,172,500 units. For this reason, BBTB Productions Co., Ltd.'s common shares increased to 148,917,500 shares, which accounted for 57.94 percent of the paid-up capital of Baht 257,028,807 (i.e., 257,028,807 common shares with a par value of Baht 1 per share). In light of this, BBTB Productions Co., Ltd., is empowered to purchase entire assets of the business, according to the Notification of Securities and Exchange Commission No. Kor.Jor. 53/2545 on the rules, conditions and procedures for the acquisition of securities for business takeover. The details are as follows:

#### Details of acquisition of securities

Types of securities	No. (share / unit)	Offering Price (Baht / share, unit)
Common shares	108,111,307	2.61
Warrants	58,259,363	1.21

The existing shareholders decided to sell total common shares of 28,535,252 share and total warrants of 34,004,138 units. Hence, the shareholding of BBTV Productions Co., Ltd increased to 68.48 percent from 57.94 percent.

- In November, it was the final month for the directors and employees to exercise their rights to purchase ESOP II. In 2010 about 2,887,500 units of ESOP II were purchased, with the exercise ratio of 1 warrant: 1 share, at the exercise price of Baht 1 per share. Throughout the life of ESOP II, about 6,156,250 units were purchased and the remaining ESOP II of 3,843,750 units expired on November 16, 2010.

#### Currently Matching Maximize Public Company Limited is located at:

Head Office : 305/10 Soi Sukhothai 6, Sukhothai Road, Dusit District, Bangkok 10300  
 Registration No : 0107545000365  
 Homepage : <http://www.matchinggroup.com>  
<http://www.matchingstudio.com>  
 Telephone No. : 02-243-6543-6, 02-669-4200-9  
 Fax No. : 02-243-1494, 02-243-4124



## Type of Business

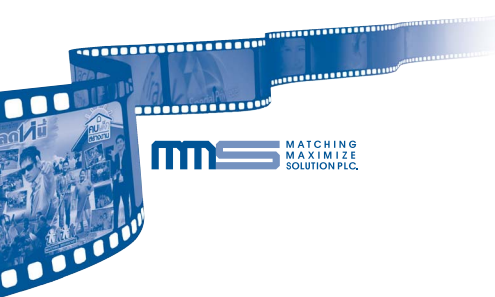
Matching Maximize Solution Public Company Limited provides the branding solution services that also include a production house of TV commercials. In 2010 the Company offered the branding solution services for Wacoal, ND Rubber, Medicare, and etc. Meanwhile, the TV commercials produced by the Company's production house were broadcasted both locally and internationally, e.g., Japan, Indonesia, and etc. The Company emphasizes quality of works and customers' needs to ensure customers' satisfaction. The Company's customers can be categorized into 2 groups, i.e., advertising agencies and product owners (or non-agencies). The Company's well known production of the TV commercials included Lifebuoy, Sunbite, Knorr, Head & Sholders, TOT, Wall's Cornetto, Dmalt, Yamaha Fino, and etc.

The Company had invested in 9 subsidiaries in order to fully response to the customers' demand for TV commercial production, equipment rental service, TV series and TV programs production, organizing entertainment activities and printing and publishing. The shareholder's structure as of December 31, 2010 is as follows.

1. **Gear Head Co., Ltd.** was established on June 7, 1994. The Company has a current paid up capital of Baht 130 million. It operates equipment rental and services business for production of featured films, TV programs and TV commercials. Gearhead Company also provides skilled technicians along with the equipment to provide services for the customers. Gearhead Co., Ltd is located at No. 173/13-14, Soi Phaholyothin 44, Kwaeng Senanikom, Khet Chatuchak, Bangkok, Tel. 0-2940-0787-90, Fax. 0-2940-0318.
2. **Matching Entertainment Co., Ltd.** was established on June 15, 1999. Its current paid up capital amounts to Baht 40 million. It operates the event organizing business, sourcing locations, stage equipment, light and sound equipment as well as providing production and management services. Matching Entertainment Co., Ltd is located at No. 305/10 Soi Sukhothai 6, Sukhothai Rd., Khet Dusit, Bangkok, Tel. 0-2669-4200, Fax. 0-2669-6653.
3. **Fatman and Littleboy Co., Ltd.** was established on March 16, 2001. The Company's current paid up capital amounts to Baht 7.00 million. It operates TV commercial production for groups of customers whose advertising budget is limited. Fatman and Littleboy Co., Ltd is located at No.305/10 Soi Sukhothai 6, Sukhothai Rd., Khet Dusit, Bangkok, Tel. 0-2669-4200, Fax. 0-243-4124.
4. **Matching Studio Plus Co., Ltd.**, (formally known as Matching Motion Pictures Co., Ltd.) was established on October 11, 2002. Its paid up capital currently stands at Baht 130 million. The Company operates quality featured film production business and production service business for foreign production crews. The Company is located at No. 305/10 Soi Sukhothai 6, Sukhothai Rd., Khet Dusit, Bangkok, Tel. 0-2669-4200, Fax. 0-2243-4124. (The Company was renamed on January 27, 2010).
5. **Matching Broadcast Co., Ltd.** was established on October 11, 2002. Matching Broadcast has a current paid up capital of Baht 10 million. It manages and produces TV programs and manages the airtime for such TV programs. The Company is located at No. 305/10 Soi Sukhothai 6, Sukhothai Rd., Khet Dusit, Bangkok, Tel. 0-2669-4200, Fax. 0-2243-4124.

6. **Book Maker Co., Ltd.** was established on June 6, 2003. The Company currently has a current paid up capital of Baht 2 million. It operates printing business e.g. Cheeze Magazine which features teenagers' fashion and lifestyle. In 2005, Matching Maximize Solution Plc. owned 100 percent of the paid up capital. The Company is located at No.305/10 Soi Sukhothai 6, Sukhothai Rd, Khet Dusit, Bangkok, Tel. 0-2669-4200, Fax. 0-2669-6647.
7. **Matching Movie Town Co., Ltd.** was established on June 12, 2003. Its current paid up capital amounts to Baht 50 million. At the start, the purpose of establishing this company was to develop the movie town project. Unfortunately, the Company had to cease this investment given economic uncertainty and the problems about readiness of the Company. Currently, the Company provides photo studio services on the first floor of Siam Center. The Company sold its media selling businesses in 1Q08 and shifted to manage and produce TV programs and manage the airtime of such TV programs. The Company is located at No.305/10 Soi Sukhothai 6, Sukhothai Rd, Khet Dusit, Bangkok, Tel. 0-2669-4200, Fax. 0-2669-6647.
8. **Goody Film BKK Co., Ltd.** was established on October 1, 2003. The current paid up capital amounts to Baht 1 million. It operates the production of TV commercials for international customers. Matching Maximize Solution Plc. owns 60 percent stake of the paid up capital. The remaining shares are held by the executives of Goody Film BKK Co., Ltd., who neither have relationship with the existing management of Matching Group nor conflicts of interests with the Matching Maximize Solution Plc. as it provides services for only foreign customers, especially Japanese customers. The Company is located at No. 305/10 Soi Sukhothai 6, Sukhothai Rd, Khet Dusit, Bangkok, Tel. 0-2669-4200, Fax. 0-2669-6647.
9. **Matching Television Co., Ltd.** was established on July 19, 2004. The Company's current paid up capital amounts to Baht 5 million. It produces TV programs and manages the airtime of such TV programs. At first Matching Broadcast Co., Ltd held 64.99 percent of the paid up capital and then in 2006, Matching Broadcast Co., Ltd. increased its stakeholding to 100 percent of the paid up capital. The Company is located at No.305/10 Soi Sukhothai 6, Sukhothai Rd, Khet Dusit, Bangkok, Tel. 0-2669-4200, Fax. 0-2243-4124.
10. **DTC Joint Venture** was established on January 4, 2005. Currently, its paid up capital stands at Baht 214.6 million. It is a joint venture, each with 33.33 percent stake, between the Company, Bangkok Broadcasting & TV Co., Ltd. and BBTV Productions Co., Ltd. to facilitate Miss Universe L.P. LLLP. in organizing Miss Universe 2005 contest in Thailand. Note that in January 2010, this joint venture decided to cease operations and the share of capital in this joint venture was already returned to the Company.





## The revenue structure of Matching Maximize Solution Group

The revenue structure of Matching Maximize Solution Group during January 1, 2008 - December 31, 2010 can be categorized as follows:

Type of Business	Operated By	% of Shareholding by the Company	2008		2009		2010	
			Million Baht	%	Million Baht	%	Million Baht	%
TV commercial production	MMS, FT, GF	100 , 60	345.12	49.55	270.64	42.48	259.25	39.04
TV program production	MB, MT	100	83.69	12.02	116.01	18.21	125.76	18.94
Event and show organizing	ME	100	27.83	4.00	55.91	8.77	33.76	5.08
Equipment rental and services	GH, MMS	100	192.46	27.63	141.87	22.27	183.08	27.57
Featured film production	MP	100	0.35	0.05	-	-	-	-
Product sales revenues	MMS, GH	100	4.21	0.60	6.73	1.06	7.54	1.13
Revenues from sales of magazines and printing	BM	100	30.57	4.39	42.23	6.63	49.16	7.40
Revenues from studio shooting and outdoor media	MT	100	5.60	0.80	0.38	0.06	-	-
Other revenues	MMS, ME, FT, GH, MB, MP, MT, BM, GF, MV	-	6.70	0.96	3.29	0.52	5.60	0.84
<b>Total</b>			<b>696.53</b>	<b>100.00</b>	<b>637.06</b>	<b>100.00</b>	<b>664.15</b>	<b>100.00</b>

**Remarks:** MMS means the Matching Maximize Solution Plc.  
 GH means the Gear Head Co., Ltd.  
 ME means the Matching Entertainment Co., Ltd.  
 FT means the Fatman and Littleboy Co., Ltd.  
 MP means the Matching Studio Plus Co., Ltd.

BM means the Book Maker Co., Ltd.  
 MT means the Matching Movie Town Co., Ltd.  
 GF means the Goody Film BKK Co., Ltd.  
 MV means the Matching Television Co., Ltd.  
 MB means the Matching Broadcast Co., Ltd.

## The business objective

The Company aims to become a leader in branding solution service business. Further, the Company is committed to maintaining its leadership position in TV commercial production business in Thailand, amid today's media development and rapidly changing technology. Furthermore, given its stability, coupled with the full business co-operation within Matching Maximize Solution Group, the Company thus strives to become a leading content producer to support various types of media channels, e.g., radio, TV Billboard and electronics media.

Meanwhile, the Company is committed to maintaining quality and presenting varieties of works in order to ensure the continuous growth in this business. Furthermore, the Company also aims to raise its percent market share in TV commercial production business in Thailand. The Company has fine-tuned the internal management structure of its subsidiaries so that they had clearer management structure. Finally, the Company has a policy to enable all of its subsidiaries to run their businesses independently while supporting the businesses within the Group in order to strengthen the Company's funding capability and other key aspects.

# Industry Overview and Competition

## Branding Solution Service

### Industry Overview

In 2010, although the Thai economy was affected by various negative factors, including political situations, the global economic slowdown, the advertising spending rose by 11.83 percent. This was the highest growth in advertising spending over the past 5 years. This strong advertising spending was made possible by the attempts of the owners of products and services to attract customers. These operators were well aware that the consumers just decided to slowdown their spending not that they did not have money

Most product and service owners, as well as advertising agencies, still chose TV as a means to reach their target customers. As a result, in 2010, the advertising spending via TV channels showed the highest growth of 14.79 percent to Baht 7,831 million (source: Nielsen Media Research Center). Apart from TV channels, the Internet was also particularly attractive. The advertising spending via the Internet expanded by 11.97 percent in 2010 but it had become more and more popular as the Internet was used to promote many product brands through websites and attached commercial clips. When the products became more popular amongst some groups then the clips would be forwarded to other consumers. As a result, the products were quickly recognized by the direct target groups of the product owners. In addition, the cost for advertising in this new form of media was also considerably lower than the others.

For the year 2010, the total advertising expenditure in the advertising industry amounted to Baht 101,032 million for a gain of Baht 10,691 million or a gain of 11.83 percent from Baht 90,314 million reported for 2009. The details are shown in the table below.

Table Comparing Advertising Expenditures by Types of Media in 2009 - 2010

Media	2009		2010		Difference	
	Million Baht	%	Million Baht	%	Million Baht	%
Television	52,935	58.59	60,766	60.15	7,831	14.79
Radio	6,168	6.83	6,114	6.05	(54)	(0.88)
Newspapers	14,149	15.66	15,000	14.85	851	6.01
Magazines	5,426	6.01	5,655	5.60	229	4.22
Cinemas	4,856	5.38	5,986	5.92	1,130	23.27
Outdoor	3,965	4.39	3,846	3.81	(119)	(3.00)
Transit	1,764	1.95	2,254	2.23	490	27.78
In-Store	819	0.91	1,120	1.11	301	36.75
Internet	259	0.29	290	0.29	31	11.97
<b>Total</b>	<b>90,341</b>	<b>100</b>	<b>101,032</b>	<b>100</b>	<b>10,691</b>	<b>11.83</b>

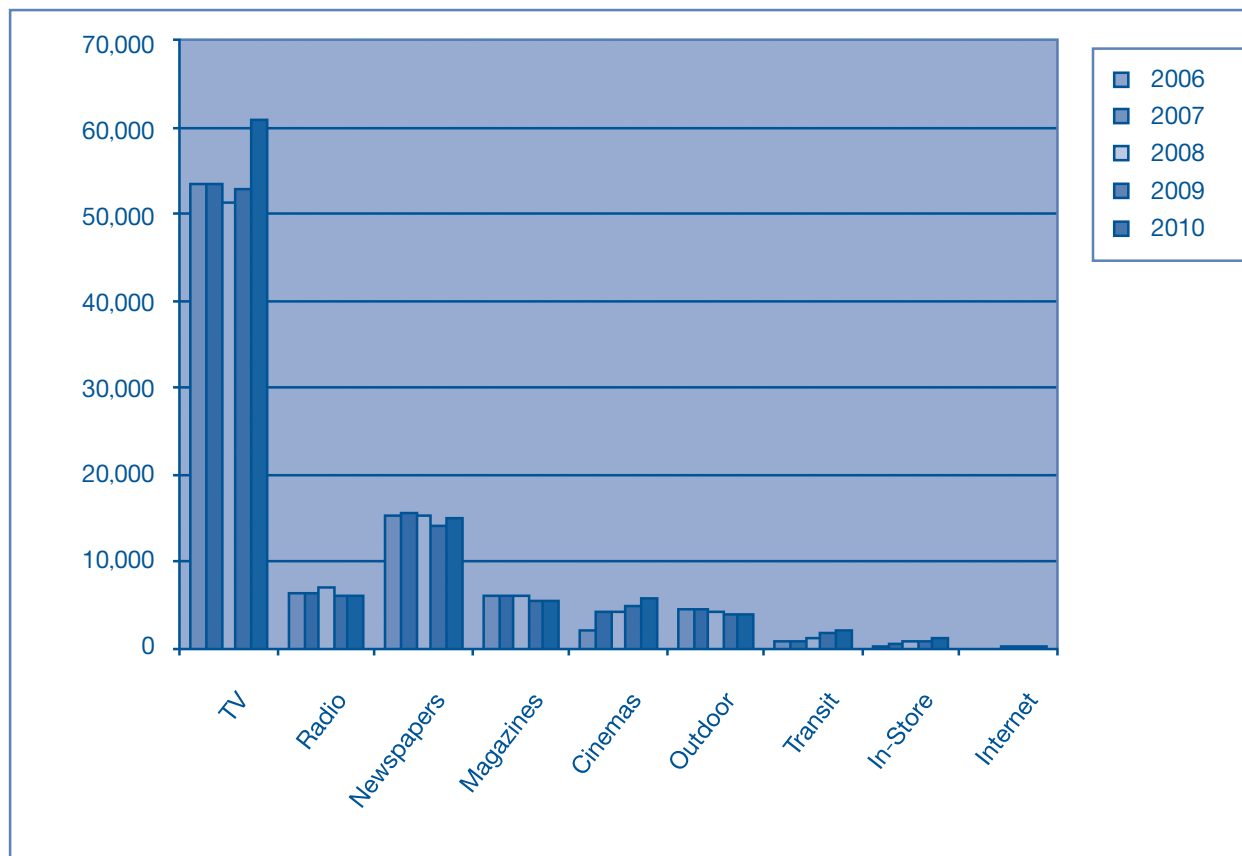
Source: Nielsen Media Research



The above table showing the data about advertising spending through different types of media in 2009-2010 was a survey result conducted by Nielsen Media Research. It can be seen that TV media still captured the highest market share in 2010 with total advertising spending of Baht 60,766 million for a gain of 14.79 percent compared to the previous year. Meanwhile, the advertising spending via in-store media, transit media and cinema grew by 36.7%, 27.78% and 23.27%, respectively.

#### Advertising Expenditure by Media in 2009 - 2010

(Unit: Million Baht)



Media	2006	2007	2008	2009	2010
Television	53,473	53,491	51,137	52,935	60,766
Radio	6,596	6,318	6,933	6,168	6,114
Newspapers	15,425	15,809	15,282	14,149	15,000
Magazines	6,179	6,067	5,998	5,426	5,655
Cinemas	2,086	4,341	4,173	4,856	5,986
Outdoor	4,667	4,481	4,229	3,965	3,846
Transit	994	956	1,372	1,764	2,254
In-Store	314	570	826	819	1,120
Internet	-	-	172	259	290
<b>Total</b>	<b>89,735</b>	<b>92,035</b>	<b>90,120</b>	<b>90,341</b>	<b>101,032</b>
Difference (%)	N/A	2.56	(2.08)	0.25	11.83

Source: Neilson Media Research

## Competition Environment and Marketing Strategies

Given sluggish economic conditions in 2010, customers delayed their spending and cut budget for TV commercial production to gauge both economic and political situations. Some customers decided to reuse their old advertisements which were produced for quite some time to reduce the production cost. In addition, the customers decided to allocate more advertising budget through in-store media that required lower cost and more directly impact customers' decision making. Some customers shifted to organize promotional events as well as other marketing activities that could directly help boost the sale volumes.

Customers' objectives for using media channels were different but some works of each media channels, more or less, related to one another. For example TV commercials were designed to make people remember products, as well as attracting and convincing customers to change behaviors by means of creative stories. Meanwhile, the Internet media was aimed at directly reaching the customer targets, while in-store media was designed to influence customers' decision making.

The current unfavorable conditions prompted the Company to adjust its business structure to meet customers' demand and to be in line with the changing market conditions. The Company tried to reduce cost in the unnecessary areas that were not worthwhile in the long term. Instead, the Company adjusted its strategies by building the teams with high potential in planning and working as well as ensuring the customers' satisfaction, under various unpleasant conditions, in order to enhance its competitiveness. The Company also emphasized the concept of integrated marketing amongst companies under the group in terms of seeking customers and providing fully integrated brand building services which included TV commercial production, marketing activity organizing and other types of media offered by companies within Matching Group.

## Analysis of Competitors

Overall market competition for branding solution service business in the past year can be divided into

1. Multi-national Advertising Agencies:  
These companies mainly served international Brands as they signed contracts with their parent companies. They had many employees in many departments and owned their strategic concepts.
2. Local Advertising Agencies:  
These kind of agencies included both full-service companies and groups of individuals who ran their own business.

## Competitive Strategies for 2010

The budget for community was normally planned over year. The Company just launched its branding solution services in mid-2010. The Company's strategies for 2010 were dividend into 2 parts as follows:

1. Thai companies who wanted to create brands. These included two groups: 1) the customers who were able to make planning by themselves but they just needed creative ideas and creative products and; 2) the customers who required integrated services, starting from creating new ideas, producing products. For the latter part, the work would need time. Long-term planning was needed and the working contracts were normally done over the year.
2. Government offices: Mostly the Company attended the bids for some government campaigns. These government offices normally allocated some budget and bought media for some agreed periods. The work did not require long-term contracts but the Company could create good connections for further works.





Such working plans were expected to enable the Company to directly meet customers' demand and lower some fixed cost. This did not require professional working teams and many team members. However, the Company could produce effective work and continue to further generate profits for other companies under the Group as well

In the future, Matching Group would continue to enhance the work proficiency of its employees as well as producing high-quality works. In addition, the Company would also attempt to pass on more works to other companies under the group in order to bring maximum benefits to the shareholders in a sustainable way.

## TV commercial production business

### **Industry Overview**

In 2010, even though the Thai economy was negatively affected by various factors, namely the political uncertainty, and the global economic slowdown, TV commercial production for the domestic market was not affected as much as production for foreign markets. The foreign markets slowed down due to the severe impacts of the enactment of emergency decree that prompted many countries to advise their citizens against Thailand. However, for the Thai market the owners of products and services attempted to launch more marketing activities to attract customers as these operators were well aware that the consumers just decided to slowdown their spending not that they did not have money. This can be proved by the advertising spending figure in 2010 that rose by 11.83 percent year-on-year owing mainly to the change in trend of media channels. To elaborate, product owners shifted to use the Internet and tried to promote their products via clips attached to websites and forward mails. As a result, the products were quickly and easily recognized by the direct target groups with significantly lower cost

### **Competition and Marketing Strategies**

In 2010, although overall advertising spending held up quite well, customers still delayed their spending and cut budget for TV commercial production to gauge both economic and political situations. Some customers decided to reuse their old advertisements which were produced for quite some time to reduce the production cost. In addition, the customers, who were advertising agencies, tried to control cost and reduced the cost for TV commercial productions and shifted to organize promotional events as well as other marketing activities that could directly help boost the sale volumes. Nonetheless, many still relied on TV commercial to promote newly-launched products. Thus, TV commercial production was expected to be creative and able to attract consumers to buy the products. Therefore, despite more and more factors negatively affecting the works of production houses, the main objective remained unchanged because if the production houses were influenced greatly by the economic slowdown then the quality of their works might drop that would in turn cause customers to opt to other production houses.

The current unfavorable conditions prompted the Company to adjust its business structure in order to reduce cost in the unnecessary areas that were not worthwhile in the long term. Instead, the Company adjusted its strategies by building the teams with high potential in planning and working as well as ensuring the customers' satisfaction, under various unpleasant conditions, in order to enhance its competitiveness. The Company tried to adjust its strategies in favor more for the production teams.

## Analysis of Competitors

Overall market competition for TV commercial production business in the past year can be divided into

1. Large-sized companies or companies that had network or subsidiaries with more than 3 directors e.g., Phenomena, and Film Factoring
2. Medium-sized companies, most of which were newly established with no more than 3 directors e.g. Arthet, Triton and new companies
3. Small-sized companies with only 1 director e.g., Tai Sa Doug and By Us

Direct competitors of Matching Group

1. Phenomena Co., Ltd. was founded in 1992 by the country's top ranking directors and gradually expanded its business by opening Promophobia Co., Ltd. and Tongta Co., Ltd. to cope with the market where pricing strategies were applied. In addition, it expanded Phenomena Motion Picture Co., Ltd., which was a joint venture with GMM Picture Co., Ltd., that produced Thai movies.

Strength: Production guidelines of key directors were apparent and distinguish. Their works were internationally recognized.

2. Subsidiaries of Siam Studio; even though Siam Studio Co., Ltd. was established many years ago and may not be as famous as it was in the past, it expanded business by opening subsidiaries to accommodate new markets, e.g. Mazon Bandit and Macho Mango, including post production business e.g., Cutting Age, Jingle Bel, Sena sound and etc.

Strength: The company had a number of subsidiaries to capture different markets.

3. Film Factoring Co., Ltd. Was operated by 2 key directors. In the past year, it opened Good Boy Co., Ltd. to expand its market and recruited new directors.

Strength: Key directors produced works consistently with unique styles and had been well recognized within the industry for a long time.

## Equipment Rental and Service Business

### Market strategies

1. Provide all types of equipment, which are always in ready-to-use conditions, to serve customer's needs.
2. Provide knowledgeable and skillful personnel teams, along with the equipment, for customers.
3. Set attractive rental fee packages to generate appropriate amounts of returns
4. Set up strategy for new client and remain keeping the existing client.

### Industry overview

- TV commercials

The budget allocation for productions from TV commercials broadcast in the country was adjusted in favor to computer graphic work while the budget associated with the uses of equipment for production was reduced. Digital cameras were used more for the production. Meanwhile, the number of TV commercial production works remained unchanged. In addition, the political uncertainty during first half of 2010 caused many companies to cancel some TV commercial production projects as they were not sure of their sales target could be reached during such volatile political situation.



In the second half of the year, the domestic politic began to improve and the government offered financial supports for many government activities and events. Thus, more budgets were allocated for some government offices to boost their images. For this reasons, the company could produce more TV commercial products. Furthermore, more foreign production crews began to come to shoot their TV commercials in Thailand again once the situation returned to normal.

- **Foreign films shot in Thailand**

The political uncertainty early 2010 prompted foreign production crews to shift to shoot their films in other Thailand's neighboring countries, namely Malaysia and Vietnam. As a result, during the second and the third quarter, the revenue generated by this business segment declined. However, in late 3Q10 many foreign films production were shot in Thailand and two of them were big films with high production budget. Some of the films shot during the period included those who had been postponed from 2008 and the first half of 2010. As a consequence, foreign film shooting segment was liven again in late 2010.

- **Data from Thailand's Film Office**

Thailand's Film Office, Tourism Development Office, disclosed that in 2010 the number of foreign films shot in Thailand rose by 32 percent from 37 films to 49 films and foreign TV commercials increased by 53 percent year-on-year from 166 commercials to 255 commercials. However, the budget allocated for production of each film or commercial fell significantly. Finally, India showed the highest figure of films and commercials shot in Thailand, followed by Japan and European countries.

## **Competition Environment**

The unstable domestic politics was a major negative factor against the production of foreign films and TV commercials during 2Q-3Q10. Particularly, during April - May many foreign production crews decided to cancel their plans to shoot the films or commercials in Thailand and, in stead, shifted to Thailand's neighboring countries. In addition, the appreciation of the Baht was also another negative factor that lowered the budget for production of foreign films or commercials by 20 percent of the target budget.

The business began to pick up in the final quarter when the politics returned to normal and foreign customers' concerns over the political situation in Thailand began to ease. Given this apparently improved situation, the foreign customers decided to keep their plans to shoot the films or TV commercials in Thailand unchanged. Finally, another driver was a seasonal factor in which many products owners tried to launch marketing policies to attract consumers during the festive season in the year-end.

## **Analysis of Competitors**

The analysis of the competitors in equipment rental business is as follows.

- 1) Light House + Big Eye

- The customer targets are the same as the Company's targets.
- Its equipment is new and it continued to purchase new models of equipment that are in high demand.
- It applies aggressive marketing policies in terms of prices and service.



- 2) Siam Lite + Camera Corner
  - It had a large customer base as it was the first company offering this service
  - It could offer bigger discounts to customers as the company already reached the breakeven
  - It has good international reputation as it used to work with major foreign film makers.
  - It offered low wages for workers which could attract customers
- 3) Digital camera service provider group
  - RED Snapper (providing RED digital cameras for rent)
  - Life Boat (providing RED digital cameras for rent)
  - General service providers who provide HDV and RED cameras for rent. Note that these general service providers began to have an important role in the production of Thai movie, TV commercials and music videos as customers tended to cut down their production budgets

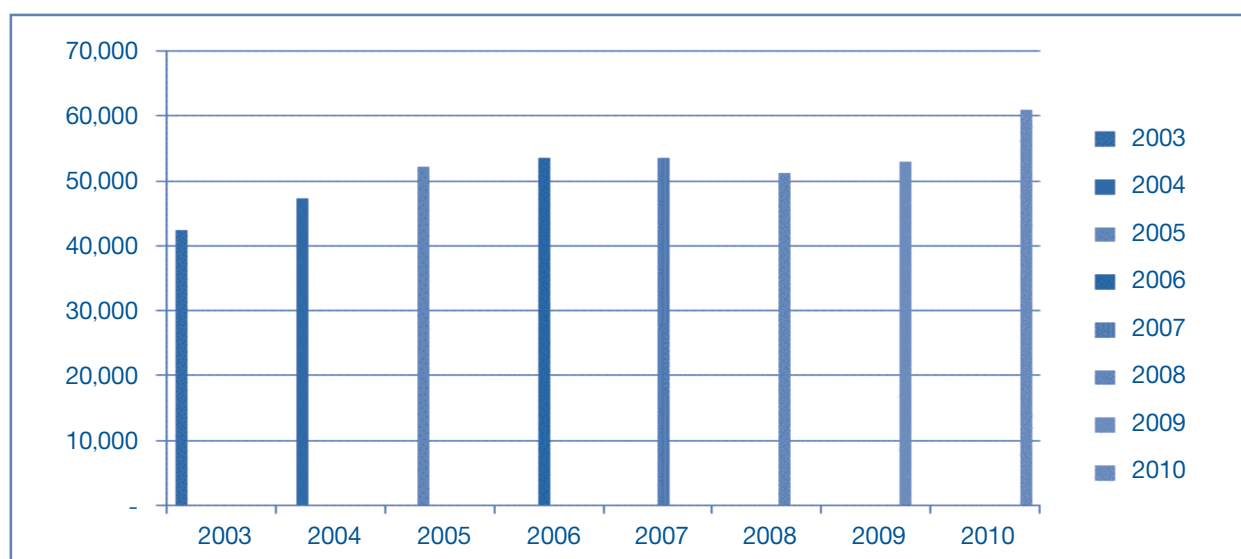
## TV Program Production Business

### Industry Overview

For the year 2010, the Nielsen Media Research reported that TV remained the most effective media channel that quickly reached vast numbers of consumers and was able to convey detailed messages to viewers compared to other types of media.

In 2010, based on the comparison of growth in advertising spending during 2009-2010, a result from Nielsen Media Research's surveys showed that the advertising spending through TV media in 2010 posted higher growth when compared to last year owing to the economic recovery, improvement in consumers' confidence and stronger confidence in politics. Note that TV channels always captured highest market shares as they were considered as the most effective media channel reaching large viewers by simultaneously presenting both pictures and sound. In 2010, the advertising spending via TV channels amounted to Baht 60,766 million.

**Figure 1: The Growth Comparison of TV Advertising Expenditures in 2003-2010**



Source: Nielsen Media Research



Free TV business operators in 2010 were Channel 3, Channel 5, Channel 7, Channel 9, NBT, and TPBS. In the same year, Channel 7 still captured the highest audience share and saw the largest advertising spending via the Channel. Most viewers recognized TV programs shown in every timeslot of Channel 7, and thus agencies preferred to spend their advertising budget through Channel 7. Note that Channel 7 was a strong strategic partner of Matching Group.

For the year 2010, digital media had expanded rapidly due to the rapid change in online social trend. However, the advertising spending via this online media remained lower than that via the main media channels. As a main media channel, TV Channels still saw the biggest advertising spending, even though some new media channels could manage to capture more share of advertising spending. Finally, cable TV and satellite TV businesses were also growing rapidly and they were likely to grow further every year. Various companies tended to spend their advertising budget via cable TV and satellite TV owing to lower cost but the disadvantages of these channels were that it was different to study the details of viewer groups, i.e. ages, financial status, number of viewers, and the program contents were not interesting enough to draw viewers' attraction and recognition.

### Competition Environment

As mentioned above, the competition became more intense. Some TV programs gained more popularity while some saw less and less popularity. The popularity of each TV program depended upon consumers' popularity rating trend, which was constantly changing. Revenue from TV program production, thus, varied according to the popularity ranking of each program. Since the decision making on whether to advertise or promote products and services with any TV programs rested on the advertising agency, not to mention a large number of competitors, producers thus had to frequently adjust and improve their programs to make them more attractive and differentiate their programs from new competitors' programs. In addition, producers had to maintain their existing target viewer groups while trying to expand its viewer base. Apart from the ability, expertise, and creativity in production, each TV program had to find its own position or stance that would in turn distinguish it from the others. All producers had to differentiate their works from their competitors' and try to attract as many target audience groups as possible. To differentiate their works, producers had to create distinguishable program formats, choose outstanding program hosts, and invite interesting celebrity guests. In addition, producers also had to co-organize activities and hold some promotional campaigns aimed at encouraging viewers' participation and attracting them by giving away some prizes or gifts. Producers also had to effectively promote their programs. Finally, producers also had to realize the importance of program timeslot, both airtimes and dates, given that a presentation style of one program on a different date and time was designed to target different target audience groups.

The Company's "Plod Nee" program shown on Channel 7 had been broadcast for 10 years in 2010. As a way to promote the program, viewers were encouraged to participate in the program. As a result, the program continued to gain its popularity from target viewers and had been well accepted by advertising agencies and sponsors. In 2003, "Plod Nee" received the Golden Television Award for the Best Game Show and in 2007 was nominated and received the Star Entertainment Awards 2006 for the Best Career Support from Entertainment Reporters Association selecting from various on-aired programs in 2006. For 2008, the program was awarded the useful program for recreation from Ministry of Tourism and Sport. In 2009, the program received an award about the useful program, to help the people in need, from the Ministry of Social Development and Human

Securities. Furthermore, in the same year the Company's "Kob Dek Sarng Ban" program received an award from the Youth Network for Development as a program that promoted the children right and another award also from the Ministry of Social Development and Human Securities for its program that was helpful for those in need. Finally, in 2010, "Plod Nee" and "Kob Dek Sarng Ban" were also granted awards as helpful programs for people in need by Ministry of Social Development and Human Securities.

### Analysis of Competitors

"Plod Nee": Competitors for this program were game shows programs and other programs broadcast at the same timing. The ratings for popular game shows are as follows:

#### Popular game shows on each TV channel

Program	Channel	Broadcast Date	Broadcast Time
Ching Roi Ching Lan	7	Tuesday	22.30 - 24.00 hrs
Thousand Face Game	7	Sunday	12.00 - 13.00 hrs
Roo Jing Pa	3	Friday	23.00 - 23.45 hrs
Suek 12 Rasi	3	Sunday	12.15 - 13.00 hrs
Plod Nee	7	Saturday	14.45 - 15.30 hrs

#### Programs broadcast before and after "Plod Nee"

Program	Channel	Broadcast Date	Broadcast Time	Rating
Kadedeed	7	Saturday	13.45 - 14.45 hrs	5-6
Plod Nee	7	Saturday	14.45 - 15.30 hrs	4-5
Fa Mee Ta	7	Saturday	15.30 - 16.15 hrs	5-6

The high rating for "Plod Nee" indicated the program's high competitiveness and that it would be worthwhile for customers to spend their budget via advertising time of this program.

"Plod Nee on Public Holidays": This program presented the lives of people after they participated in "Plod Nee" program and were helped to repay their debts. The program also showed some pictures of the hosts and some contents that had never shown before. The competitors of this program included special programs shown on public holidays. Note that Channel 7 continued to present good programs on public holidays.

"Kob Dek Sarng Ban": The program was designed for kids. The program showed the lives of children who were very reasonable and had to work hard beyond their real ages. The contents shown on each episode were different. Competitors for this program included programs for kids broadcast on every Channel which targeted only kid viewers. Those kid programs were different from "Kob Dek Sarng Ban" as "Kob Dek Sarng Ban" could be enjoyed by both adults and children where everyone in the families could spent time enjoying together. "Kob Dek Sarng Ban" also input some useful information for families and society.



## Marketing Strategy

In 2010, the Company created a marketing strategy to maintain its competitiveness by consistently developing the contents and styles of the programs while entertaining the viewers. For “Plod Nee”, the presentation style was adjusted e.g., promoting further participation from programming host in the studio, increasing outdoor production to reach more viewers. The Company tried to come up with new strategies meet customers’ demand. In addition, not only was the Company able to increase its audience share when the program was on-air but it was also able to attract target viewers on the location set. Moreover, in 2010, the Company improved the efficiency of sales, distribution channel and promotion by organizing event marketing on the shooting sites to promote various products and services that were to be introduced to target consumers in various areas. Such activities were well accepted and became very successful.

## Business Activity

### Market overview

- **Market value and growth outlook**

Below-the-line marketing was a business that showed a high growth potential as the marketing activities were not limited only on private sectors. Governmental agencies also tended to organize more marketing activities. More events were organized by government agencies who wanted to provide more information for people and promote their policies. The market value of this business showed a strong expansion. In particular, the government sector was expected to increase by Baht 3,000-4,000 million. In addition, given the pickup of the country’s economy, the country’s below-the-line business value expanded by 20-25 percent in 2010 (vs. 10 percent reported for 2009) to Baht 13 billion. Note that this business was relatively risky. In 2010 Thai economy was negatively impacted by various unfavorable factors, e.g., the political uncertainty, which caused the domestic economy to slow and lower people’s purchasing power. Nevertheless, in the third quarter of 2010, private operators began to increase their marketing budget to launch new products and state agencies also spent more advertising budget via media channels as it was the end of fiscal year 2010. Also during this time the government agencies began to allocate more advertising budget as it was the closing time for the fiscal year of 2010. Many government programs that required high advertising budget included the Celebration of His Majesty the King’s 84<sup>th</sup> birthday anniversary, BOI fairs and campaigns for the new general election.

- **Operators**

Despite a large number of players and thus higher competition in the below-the-line business, all players set clear marketing targets which were varied in accordance with their organization sizes and types of services. Hence, the market direction was clear. Operators of the below-the-line business could be divided into 4 large groups as follows:

1. **Creative Agencies**

This group’s core business was to provide advertising-related services but when the needs for below-the-line activity services grew, these creative agencies turned to provide fully-integrated service of below-the-line activities.

## 2. Event Organizers

This player group focused particularly on providing below-the-line activity services, including events, road shows, product-launching events, trade shows and etc.

## 3. Media

This group expanded its services from existing media planning service to below-the-line activity services.

## 4. Event Promoters

These operators provided services only in a form of event shows.

## Competition Environment

In 2010, the competition in this business remained intensified. Particularly, the private sector shifted to smaller events that required lower budget of around Baht 100,000 - 200,000, in stead of Baht 3-4 million as seen in the past. Nevertheless, despite the smaller size of event, the frequencies of even organizing became larger and the events could be organized to better reach different target groups. Meanwhile, this market tended to hold up well that would prompt more customers to use the services. Small sizes organizers particularly benefited from the growing trend as they could serve customers with limited budget. For this reason, the number of players continued to increase and thus the competition became intensified. The players focused particularly on war prices and, in light of this, smaller operators could enjoy some cost advantages over bigger operators. Another factor to make operators remain competitive was the creativity that made events interesting, distinguished and able to attract more customers. In 2011, it was expected that the competition in this business would remain intensified following the strong market growth.

For 2011, the Company would focus on development of quality, service as well as enhancing its competitiveness by lowering cost and expenses. The Company would also improve the proficiency of its personnel and create new innovation to support the market growth. Finally, the Company will make every effort to meet new areas of demand from its customers.

## Marketing Strategy

The Company was also committed to continuously develop its marketing strategies in order to provide fully-integrated marketing services for its customers. The Company's areas of development are as follows:

1. Development of professionalism: developing human resources so that they possess strong potentials to produce outstanding works, come up with effective planning, and manage works in order to well support customer's demand
2. Development of creativity: improving presentation styles and creating new interesting concepts; providing state-of-the-art equipment; seeking business expansion an incident in the event activities; offering customers creative ideas with appropriate marketing equipment and media
3. Join force with strategic partner both domestically and internationally: coordinating with various parties, including artists, event locations, music content or media planners in offering value added works for the customers



4. Combine business opportunities with subsidiaries: The Matching Group included Matching Maximize Solution Plc., running TV commercial production, Matching Broadcast Co. Ltd, producing TV programs, Book maker Co., Ltd providing advertising media services via Cheeze Magazine. Each company under the Group offered some synergy benefits and thus the Company could provide fully-integrated marketing communication service for customers. Hence, the Company saw more flexibility in operations as the Company owned fully-integrated media both in terms of above-the-line and below-the-line services.

Given its marketing strategies, coupled with its broad customer base and internal organizational development, the company's activity business should hold up well in 2011.

## Printing Business

### **Industry Overview**

In 2010 the economy was still hit hard by the global economic slowdown that in turn negatively impacted all business industries. Nevertheless, such economic slowdown had just a modest impact on the media industry. The entire advertising industry saw the advertising spending slightly beat the figure reported for 2009.

Furthermore, the printing business showed a satisfied growth, both in terms of sales volume and the advertising revenues that came from customers which included advertising agencies, small and medium entrepreneurs, small garment retailers who continued to publish their advertisements in the Company's magazine.

Finally, the Company benefited from the intensified competition in the printing industry as the intensified competition forced printing houses to maintain their competitiveness by offering special discounts for printing cost while maintaining good printing quality. Thus, the Company could choose the best printing house who offered the most attractive deals.

### **Competition Environment**

As mentioned above, the competition in the industry remained high from both existing and new operators. Thus, the Company had to improve its strategies in various areas as follows:

- Production strategy

The Company always continued to improve the quality of its magazine and presented "Cheeze" with its unique concept of "On street style" to always follow the rapidly-changing teenage trends. New team members were recruited to help create and promote the Cheeze magazine as the 'Trend Setter and only best Street Magazine in Thailand.

- Launch of new magazine "Looker" to expand reader base, lower office-related cost and seek new advertisers
- Sales and promotion strategy

The sales volume of the Cheeze magazine remained solid. The Company tried to boost its sales volume by coordinating with distributors to access as many readers as possible. The distribution portion stood at 70 percent for Bangkok and 30 percent for the rest of the country. The Company offered commissions to the distributors who hit the set sales targets. In addition, the Company also visited regional sales agents in order to collect some useful information which would be used as a guideline to improve magazine and also organized some activities to create good relation with the readers.



Meanwhile, the new magazine “ Looker” made a good start was it also benefited from strong sales volume of Cheeze magazine.

- Pricing strategy

The Company offered long-term packages to attract customers who wanted to advertise at their preferred space and advertising rates were very appealing.

Online Business: [www.cheezeplaza.com](http://www.cheezeplaza.com)

### Industry Overview

The volume of Internet using continued to expand every year and it showed the stronger growth than other media channels. According to a survey about the length of time young consumers spent with media channels, which conducted among consumers aged 15-24 years old, young consumers spent 75 percent of their total time allocated for media, which was considerably higher than other media channels, i.e. TVs, newspapers, radios and magazines. In addition, the volume of online shopping also continued to increase, as evidenced by increasing numbers of websites for online shopping, both domestically and internationally. This trend should be due in part to the high speed and convenience of this kind of media as it could help save time and transportation cost and allowed consumers to buy products at home. For this reason, online media became more and more attractive than other media types.

### Competition Environment

The competition in the online business was very intensified, which in turn provided consumers with variety of choices. Hence, the company adjusted its strategies as follows:

#### Clustering Method

The Company benefited from the clustering method which created bargaining power and support customers' needs. The Company tried to gain benefits from the strength of Cheeze Magazine by selling advertising space in the cheezeplaza.com while offering their advertising space at Cheeze magazines. Therefore, the Company's websites saw some added values and became more unique than other websites.

#### Integrated Marketing Communication

Given the Company's service varieties that could support the market demand, the Company could provide fully-integrated marketing services. For example, the Company owned its media channel for public relation so that it could announce information and promotional packages. Moreover, the Company could design advertising media and graphic designs on its website.

# Risk Factors

- **Business factors**

1. **Risk associated with expansion of branding solution services**

Customer targets of each business segment were different, depending on customers' behaviors, changes in regulations and technologies. For this reason, strategies set to promote each product brands were varied according to objectives. The Company put all efforts to bring maximize benefits to its customers. Note that most customers did not intend to change new advertising agencies as they normally had particular agencies in their mind. Furthermore, in early 2010 the political uncertainties prompted many operators to seek to cut their marketing budgets and some companies to bring back their old TV commercials for reruns, which in turn directly affected production houses. Also, for the same reason, some customers decided to shift to smaller advertising agencies in stead of the larger ones.

Realizing the risks associated with this business, the Company had adjusted several strategies e.g. minimizing fixed costs, expanding customer base to cover all business types, not limiting business types of customers, lifting some complicated conditions and producing creative works with quality so that the company could satisfy and maintain its existing customer base.

2. **Risk of discontinuation of the subleasing of airtime from television station**

To operate and manage TV programs, there was a subleasing of airtime from television stations to broadcast the TV programs on a quarterly basis, which was a normal business practice. In 2010, the Company presented 3 TV programs including "Plod Nee", "Pold Nee Public Holidays" and "Kob Dek Sang Ban". The television station may decide to discontinue the subleasing of airtime, adjust the contents of subleasing contracts, raise broadcasting rates, lower revenue sharing, or reduce advertising time. All of these possibilities would have negative impact on the Company's revenue.

The Company aimed to increase both viewers (TV program viewing rating) and sponsors (key factors in determining whether to extend the airtime contract) by putting emphasis on creating quality programs with more varieties and entertainment contents to suit every viewer group. The Company emphasized on improving its program styles to suit the consumers and the airtime. For this reason, in 2010 the revenue from producing and managing TV programs amounted to Baht 125.76 million or equivalent to 18.94 percent of the company's total revenue, increasing by Baht 9.75 million or 8.41 percent compared to the same period of last year.

3. **Risks of the change in consumers' trends**

The trends or popularity of products or services among customers changed rapidly, depending on the ages of consumers. The changes in trends were thus major factors impacting customers' popularity of program contents or printing matters. It should be noted the customers needed to consider how many benefits they would gain from publishing advertisement on printing matters or buying advertising time in some TV programs. In other words, they had to consider how worthwhile the investment would be. They would consider ratio of the advertising rate to the number of reviews of TV programs or readers of printing matters as well as the levels of popularity of each TV program. Hence, the Company continued

to develop its program content and presentation styles to attract more customers. In addition, it also continued to conduct surveys on customers' popularity, which could be indicated by TV program rating. As the rating for its TV program and the popularity of its magazines remained at high levels, the Company believed that it would be able to effectively manage any risks associated with any changes in consumers' trends. Hence, these risks should not have any significant impacts on the Company's operations.

- **Management factors**

#### 4. **Risk of dependence on human resource**

TV commercial production business contributed the highest to the Company's revenue. This specialized business relied heavily on skillful and experienced personnel together with supportive production teams. Thus, having specialized personnel was a key to business success, that would be measured by creativity, quality of work that met the needs of customers and high revenue contribution.

Fully realizing the importance of such human resources, the Company set a policy to offer attractive remuneration packages to the employees. In addition, the Company allowed them to participate in the management while preparing production equipment and tools to fully support the production of quality outputs. Furthermore, the Company also allowed its employees to have the stake ownership by offering ESOP warrants. Not only did the Company provide training programs to develop skilled staff but it also continued seeking potential competent staff to bring more sufficient skillful directors as well as strong production teams to the Company. This was a way to mitigate the risk in relying on the limited human resources. In the past, the Company had diversified risks to TV program production business, equipment rental and service business and etc. In 2010 the Company's revenue from TV commercials production business amounted to Baht 259.25 million that accounted for 39.03 percent of the company's total revenue, for a decline of Baht 11.39 million or 4.21 percent on a year-on-year basis.

#### 5. **Risk of uncertainty of performance of event organizing business**

The event organizing business was very risky as it relied mainly on cooperation from various parties including performers, locations, sponsors and viewers. In case an artist was unable to perform on schedule due to any possible reasons, the Company had to be responsible for all expenses. There were also some risks concerning sponsors and viewers because the sponsors may decide to cancel their sponsorship anytime.

As it was found that product owners preferred to promote their brands via one-on-one communication more, the Company planned to expand its services by providing more fully-integrated below-the-line activities and show businesses for customers and sponsors. These activities apparently generated revenues and also reduced some risks. Note that in 2010 revenue from event organizing business totaled Baht 33.76 million, which accounted for 5.08 percent of total revenue, for a decrease of Baht 22.14 million or a decrease of 39.61 percent on a year-on-year basis.





#### 6. Risk of ability to repay debts of account receivables

The Company carefully managed account receivables by seriously selecting potential customers and appropriately set forth credit terms. In addition, the Company also managed debts in a careful manner in which good relation with its customer were maintained. For this reason, the Company did not see any significant impacts of risks concerning debt collection. As for account receivables for TV commercial production, the Company collected 50 percent of the total charge 7 days after the date of signing contract. Meanwhile, for the account receivables in equipment rental business, the company collected the service fees for the entire amounts indicated in the quotations in order to reduce risks associated with ability to repay debts by account receivables.

# Shareholders and Management Structure

As of October 11, 2010, the Company's top ten shareholders were as follows:

Name of Shareholders	No. of Shares	% of Paid-up Share Capital	Remarks
1. BBTV Productions Co., Ltd.	177,452,752	68.48	As of November 26, 2010
2. The Sasinmanop Group *	13,986,993	5.40	
3. The Cheewasutthanon Group **	13,370,321	5.16	
4. Mr.Panumas Mongkholtthrapya	13,019,260	5.02	
5. Miss Poranee Ketkintha	10,504,800	4.05	
6. Mr.Chachawai Piyapraphanpong	8,053,600	3.11	
7. Thai NVDR Co., Ltd.	4,163,870	1.61	
8. Mr.Ekkalak Bunsirungruang	2,135,400	0.82	
9. Mrs.Amnuoy Pinthongkham	1,882,890	0.73	
10. NORVBAX INC 90	1,760,500	0.68	
<b>Total</b>	<b>217,795,134</b>	<b>84.04</b>	

Shareholders of BBTV Productions Co.,Ltd. (Channel 7 is the major shareholder)

1. Bangkok Broadcasting and TV Co., Ltd	30%
2. BBTV Asset Management Co., Ltd	25%
3. BBTV Sat Television Co., Ltd	25%
4. BBTV Stronghold Asset Co., Ltd	20%

\* The Sasinmanop Group composes of

1. Mr.Thanisaphong	Sasinmanop	holds	13,502,623	shares or	5.21 %
2. Mrs.Siripen	Sasinmanop	holds	484,370	shares or	0.19 %

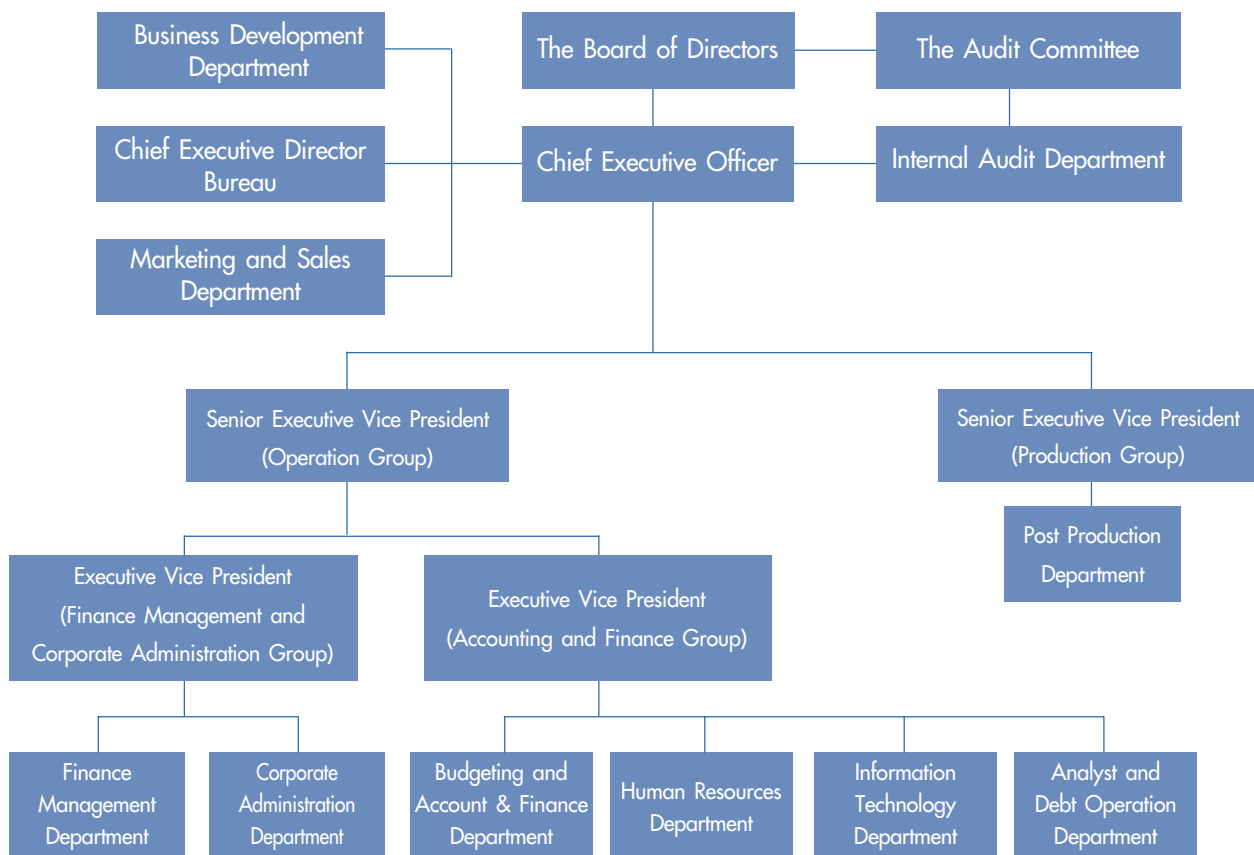
\*\* The Cheewasutthanon Group composes of

1. Mr.Somchai	Cheewasutthanon	holds	12,064,683	shares or	4.66 %
2. Mr.Somboon	Cheewasutthanon	holds	359,783	shares or	0.14 %
3. Ms.Supaphun	Cheewasutthanon	holds	155,855	shares or	0.06 %
4. Mr.Somphon	Cheewasutthanon	holds	130,000	shares or	0.05 %
5. Mrs.Prantharee	Cheewasutthanon	holds	660,000	shares or	0.25 %

## Dividend Policy

The Company had a policy to pay dividend every year at approximately 40% of net profit, in case of no other necessary reasons to use this amount. The amount of dividend paid must not significantly affect the Company's normal business operation. As for its subsidiaries, the dividend policy depended on their performance and the need of capital.

## The management structure of Matching Maximize Solution:





## The Management Structure

The Management structure composed of 3 boards, the Board of Directors, the Executive Committee and the Audit Committee. The details of which are as follows:

### 1. The Board of Directors

As of December 31, 2010, the Board of Directors comprised of the following 9 members:

1. Mr.Somrit	Srithongdee <sup>1)</sup>	Chairman of Board Directors
2. Mr.Somchai	Cheewasutthanon	Chief Executive Officer and Chairman of Executive Committee
3. Mr.Akarat	Na Ranong <sup>2)</sup>	Chairman of the Audit Committee and Independent Director
4. Mr.Nuttawut	Phowborom <sup>3)</sup>	Independent Director and Audit Committee
5. Mr.Kamol	Ratanachai <sup>4)</sup>	Independent Director and Audit Committee
6. Mr.Pattanapong *	Nuphan	Director and Executive Committee
7. Mrs.Watchanee *	Watanathawanwong	Director and Executive Committee
8. Mr.Chakrapun *	Leelamasavat	Director and Executive Committee
9. Mrs.Siripen	Sasinmanop	Director and Executive Committee

\* Representatives of BBTV Productions Co.,Ltd. (Channel 7 is a major shareholder)

<sup>1)</sup> Mr.Somrit Srithongdee took up his post as the Chairman of the Board Directors on May 6, 2010

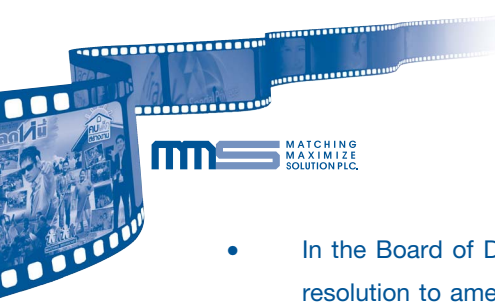
<sup>2)</sup> Mr.Akarat Na Ranong took up his post as the Independent Director and Chairman of the Audit Committee on May 6,2010

<sup>3)</sup> Mr.Nuttawut Phowborom took up his post as the Independent Director and Audit Committee on May 6, 2010.

<sup>4)</sup> Mr.Kamol Ratanachai took up his post as the Independent Director and Audit Committee on November 12, 2010.

### Scope of duties and authority of the Board of Directors

- To manage and ensure that the Company's business operation conforms to the laws, objectives, and the articles of association including the resolution of the shareholders' meeting with honesty and trustworthiness and to provide utmost benefits to the Company.
- To set objectives, strategies, policies, business plans, and budgets of the Company. The Board of Directors also controlled and supervised the executives committee to ascertain that it follows the assigned policy except for the following matters: The Board of Directors must receive the resolution of the shareholders' meeting regarding the following matters; increases or decreases in shares of registered capital, issuances of debenture, disposition or acquisition all or part of the Company's business to other parties, purchases or transfers of other company's business, and amendments of the letters of memorandum or articles of association, etc.
- To appoint a number of directors, as deemed appropriate, to be the Executive Committee to be responsible for the duties assigned by the Board of Directors
  - In the Board of Directors' meeting No. 8/2002 on October 30, 2002, the Board of Director had a resolution to appoint the Chairman of the Board, Chief Executive Officer, the Executive Committee, Independent Directors and the Audit Committee as well as specifying their roles and responsibilities.
  - In the Board of Directors' meeting No. 9/2002 on December 11, 2002, the Board of Directors had a resolution to prompt authority to the Executive Committee with scope of authorities, and duties of the Executive Committee clearly stated.



- In the Board of Directors' meeting No. 2/2003 on January 23, 2003, the Board of Directors had a resolution to amend the authorities assigned to the Executive Committee and the Chief Executive Officer.
  - In the Board of Directors' meeting No. 12/2004 on November 12, 2004, the Board of Directors had a resolution to appoint new Executive Committee and the Board of Directors resolved to amend the authority assigned to the Executive Committee with clear scope, authorities and responsibilities of the Executive Committee.
  - In the Board of Directors' meeting No. 13/2008 on November 13, 2008, the Board of Directors had a resolution to amend the scope of responsibilities of Audit Committee and appoint a secretary to the Audit Committee.
  - In the Board of Directors' meeting No. 4/2009 on March 23, 2009, the Board of Directors appointed new Directors and the new appointment was approved by the 2009 annual shareholder meeting on April 29, 2009.
  - In the Board of Directors' meeting No. 6/2010 on May 6, 2010, the Board of Directors appointed 3 new Directors to replace the former ones who resigned.
  - In the Board of Director' meeting No. 15/2010 on November 12, 2010, the Board of Directors appointed 1 Independent Director and Audit Committee.
4. Other persons may be assigned to operate the business of the Company under the Board of Directors' supervision or they may be granted authorities to perform some tasks within a certain time period. The Board of Directors may cancel, dismiss, or amend these authorities.
  5. The Board of Directors shall apply their knowledge, skills, and experiences to their duties to bring about the utmost benefits to the business operation of the Company. The Board of Directors must be honest and responsible be to the shareholders. They shall also operate the business with business ethics and also disclose investing information to the investors accurately, sufficiently and transparently.
  6. The Board of Directors shall make sure that the Management efficiently performs the duties in accordance with the Company's policy. The Board of Directors shall also ask the Management to present some significant matters concerning the Company's operation and some inter-company transactions for review so that it can be certain that those matters and transactions are conducted in compliance with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
  7. The Board of Directors shall appoint an internal auditor to monitor the internal business operation and cooperate with the Audit Committee.

## 2. The Executive Committee

As of December 31, 2010, the Executive Committee comprised of the following 5 members:

1. Mr.Somchai	Cheewasutthanon	Chairman of Executive Committee
2. Mr.Pattanapong *	Nuphan	Executive Committee
3. Mrs.Watchanee	Watanathawanwong	Executive Committee
4. Mrs.Siripen	Sasinmanop	Executive Committee
5. Mr.Chakrapun *	Leelamasavat	Executive Committee

\* Mr. Pattanapong Nuphan and Mr.Chakrapun Leelamasavat took up the posts on December 22, 2010

The details of the Board of Directors' meetings concerning the Executive Committee are as follows:

- In the Board of Directors' meeting No. 8/2002 on October 30, 2002, the Board of Directors had a resolution to appoint the members of Executive Committee.

- In the Board of Directors' meeting No. 9/2002 on December 11, 2002, the Board of Directors had a resolution to prompt the authorities to the Executive Committee with clear scope, authorities and responsibilities.
- In the Board of Directors' meeting No. 2/2003 on January 23, 2003, the Board of Directors had a resolution to amend the assigned authorities of the Executive Committee.
- In the Board of Directors' meeting No. 12/2004 on November 12, 2004, the Board of Directors had a resolution to appoint new Executive Committee and to amend the authorities assigned to the Executive Committee with clear scope, authorities and responsibilities of the Executive Committee
- In the Board of Directors' meeting No. 16/2010 on December 22, 2010, the Board of Directors had a resolution to appoint 2 additional members of Executive Committee, lifting the total to 5 members.

### **Scope of duties and authorities of the Executive Committee**

1. To approve the loan or credit applications to finance the Company's normal business operation and also to act as a guarantor when taking out some loans. The Executive Committee was also responsible for making any payments so that the Company's normal business operation could be run smoothly. The credit approval per transaction was not more than Baht 20 million or equivalent. Such a credit approval limit was to conform to what had been approved by the Board of Directors. However, this credit approval limit was subject to change upon appropriateness under the Board of Directors' consideration.
2. To set the organization structure and the management covering the details in recruiting, training, employing and dismissing the Company's employees.
3. To propose to the Board of Directors the following matters for approval:
  - Objectives
  - Business policies
  - Business plans
  - Business strategies
  - Management authorities
  - Annual expenditure budget
  - Scope of duties and responsibilities of the Chief Executive Officer
  - Other matters which may materially affect the business operation of the Company
  - Other matters as seen appropriate by the Executive Committee to be proposed to the Board of Directors for approval.
4. To make sure that the Company's operations is conducted in accordance with the set business policy, business plans, and business strategies approved by the Board of Directors.
5. To oversee the business policies, business plans, business strategies and performance of the subsidiary companies.
6. To consider investing in some projects, securities, and joint ventures as approved by the Board of Directors.
7. To perform other duties as assigned by the Board of Directors.

However, the abovementioned duties assigned to the Executive Committee must be in compliance with the rules, regulations, and articles of association of the Company. In any assignments which may result in conflict of interest or personal benefits of any members of the Executive Committee (according



to the Notification of the SEC), the Executive Committee should propose the matters to the Board of Directors for further approval. A particular member of the Executive Committee with possible conflict of interests shall not have a voting right in the Board of Director's meeting regarding that matter.

### 3. The Audit Committee

As of December 31, 2010, the Audit Committee comprised the following 3 members who were independent directors as the following details:

1. Mr.Akarat	Na Ranong <sup>1)</sup>	Chairman of the Audit Committee
2. Mr.Nuttawut	Phowborom <sup>2)</sup>	Audit Committee
3. Mr.Kamol	Ratanachai <sup>3)</sup>	Audit Committee

<sup>1)</sup> Mr.Akarat Na Ranong took up his post as the Independent Director and Chairman of the Audit Committee on May 6, 2010.

<sup>2)</sup> Mr.Nuttawut Phowborom took up his post as the Independent Director and Audit Committee on May 6, 2010.

<sup>3)</sup> Mr.Kamol Ratanachai took up his post as the Independent Director and Audit Committee on November 12, 2010.

The Audit Committee arranged 5 regular meetings in 2010 and the meeting results were directly reported to the Board of Directors. The scope of duties and authorities of the Audit Committee were reviewed annually as the following details:

#### Scope of duties and authorities of the Audit Committee

The Audit Committee had duties and responsibilities according to the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand B.E 2551 which became effective from 1 July, 2008 onwards:

1. To review the financial statements and make sure they are correct and adequate
2. To review the Company's internal control system and internal audit system and make sure that they are sufficient and effective, to ensure the independence of the Audit Committee, to give opinions concerning appointments, transfers, and employment cancellation of the heads of internal audit department or of any other departments that relate to the internal audit procedures
3. To review the Company's operations and make sure that they conform to the rules and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand, and any other laws related to the business operation of the Company.
4. To consider proposing an independent person as the Company's Auditor as well as proposing the remuneration of the Company's Auditor and also to join the meetings with the Auditor, without the presence of the management, at least once a year.
5. To review the accuracy and sufficiency of disclosure of information relating to inter-company transactions or conflict of interest transactions.
6. To prepare the corporate governance's report of the Audit Committee and disclose this report in the Company's annual report. This report is to be signed by the Chairman of the Audit Committee. The report must contain the following details:
  - a) Opinions concerning accuracy, adequacy and reliability of the Company's financial statements
  - b) Opinions concerning the sufficiency of the Company's Internal Control
  - c) Opinions whether the Company follows the laws concerning securities and stock market, regulations of stock market and the laws that relate to the business of the Company

- d) Opinions concerning the suitability of the Company's Auditor
  - e) Opinions concerning some transactions that may cause conflicts of interest
  - f) Numbers of the Audit Committee meetings and the attendance of each member
  - g) Opinions or overall notes concerning that the Audit Committee receive from the Charter
  - h) Other items that should be disclosed to the shareholders and investors under the scope of responsibilities set by Board of Directors
7. To perform other duties as assigned by the Board of Directors and approved by the Audit Committee
  8. To ensure the Company's effective risk management
  9. To report performances of the Audit Committee to the Board of Director at least 4 times a year
  10. To be authorized to hire advisors or outsiders, as stated by the Company's regulations, to provide opinions or consultancy as necessary
  11. To be authorized to invite directors, executives, heads of departments or the Company's employees to discuss or answers the questions of Audit Committee
  12. To review the responsibilities and evaluate the performance of the Audit Committee
  13. Should the Audit Committee find that the following matters may have significant impacts on the Company's financial statement as well as its operating performance, the Audit Committee will report to the Board of Directors in order to reconsider or revise the matters within the timeframe that is found appropriate by the Audit Committee.
    - 13.1 Matters involving conflicts of interests.
    - 13.2 Corruptions or unusual matters about the internal audit system
    - 13.3 Violation of the laws concerning rules and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand, and any other laws related to the business operation of the Company
  14. In case the auditor finds some unusual matters that may indicate that some directors, managers or responsible people violate the laws, the auditor should notify the Audit Committee for further scrutiny. The preliminary scrutiny result should be submitted to the Securities and Exchange Commission and the auditor within 30 days starting the date the auditor reports such suspicious matters. The suspicious matters and the scrutiny procedures should be in accordance with the regulations of the Securities and Exchange Commission.
  15. To review and amend the charter of the Audit Committee as well as the reference once a year; note that the charter of the Audit Committee can be reviewed and amended only in the Board of Directors' meeting

### **Nominating Committee and Remuneration**

Even though the Company did not have any Nominating Committee to select and nominate appropriate persons to be elected as new directors, the Company had a policy and criteria to appoint the directors based on the capability, experience, vision and trustworthiness of the potential persons. Moreover, in every Annual General Meeting, one-third of directors shall resign from their positions and such resigned directors may be re-elected upon the shareholders' resolution in accordance with the principles and procedures stated in the Company's rules and regulations.

## Corporate Governance Committee

The Company did not appoint specific sub-committee as it viewed that the Board of Directors and Executive Committee could deliberate and make decision on various matters efficiently. However, in the future, if the Company has larger business size and more complicated organization structure, the Company may consider appointing particular sub-committee for some specific matters as deemed appropriate.

## 4. The Management

As of December 31, 2010, the Management comprised the following 6 members:

1. Mr.Somchai	Cheewasutthanon	Chief Executive Officer
2. Mr.Thanisaphong	Sasinmanop	Senior Executive Vice President- production
3. Mr.Somboon	Cheewasutthanon	Senior Executive Vice President- Operation
4. Mr.Wiroj	Bunsirirungruang	Executive Vice President-Accounting and Finance
5. Mrs.Ladawan	Khumsap	Executive Vice President-Finance and Central Department (Acting)
		Vice President-Accounting & Financial and Budget Group Company
6. Mr.Adtachai	Kittiwattananukor	Vice President -Accounting & Financial and Budget

### Scope of duties and authorities of the Chief Executive Officer

1. To manage the normal business operation of the Company.
2. To manage the Company according to the business policies, business plans, and business strategies assigned by the Board of Directors.
3. To authorize or assign any other persons under an approval of the Chief Executive Officer to perform duties on behalf of the Chief Executive Officer in some necessary and appropriate matters under the Chief Executive Officers supervision, all of which must be under the principle of laws and the article of association of the Company.
4. To perform some other duties as assigned by the Board of Directors and / or the Executive Committee on a case by case basis.
5. To perform and approve employment or acceptances of projects or binding agreements in the Company's normal business operation within a limit of Baht 10 million per transaction or equivalent. This credit limit must conform to the approval by the Company through the Board of Directors. The credit limit was subject to change by the Board of Directors.

The abovementioned authorities assigned to the Chief Executive Officer must be under the laws, rules, and regulations related to the Company's business. In the case where the Chief Executive Officer may enter into counter-parties benefits or may involve conflict of interests (according to the Notification of the SEC), the Chief Executive Officer shall have no authorities to approve such case. The Chief Executive Officer must propose this matter to the Board of Directors for further approval.

In addition, inter-company transactions or transactions relating to acquisitions or dispositions of the Company's or the subsidiaries' assets, whichever the case, according to the Notification of the Stock Exchange of Thailand, must be approved by the shareholders' meeting and/or any other actions as stated in that Notification in order to follow the rules of the Stock Exchange of Thailand in that case.

## Nominating Committee

Even though the Company did not have any Nominating Committee to select and nominate appropriate persons to be elected as new directors, the Company had a policy and criteria to appoint the directors based on the capability, experience, vision and trustworthiness of the potential persons. Moreover, in every Annual General Meeting, one-third of directors shall resign from their positions and such resigned directors may be re-elected upon the shareholders' resolution in accordance with the principles and procedures

1. Each shareholder shall have one vote per share held by them.
2. Each shareholder shall cast all of his/her votes in (1) for one or more candidates but shall not divide his/her voting rights amongst the candidates.
3. The candidates elected to fill up the vacant positions of the board of directors shall be selected in order of the number of votes received. In a case where there was a tie amongst candidates, the chairman of the meeting shall cast the deciding vote.

In case of a vacancy in the Board of Directors for other reasons apart from the expiration of the director's term of office, the Board of Directors shall elect a person, who possessed sufficient qualifications without prohibited characteristics under Public Company Act, as the substitute director at the next meeting of the board of directors, unless the remaining term of office of the said director was less than two months. The substitute director shall remain in the position only for the remaining term of office of the director whom he or she replaces and may be re-elected. The said resolution of the Board of Directors shall be by a vote of not less than three-quarters of the number of remaining directors.

### Remuneration for Directors and Management

Without the Remuneration Committee at the present time, the remunerations given to the directors were carefully determined by the Company's Board of Directors in consideration of business expansion and growth of the Company. The 2010 Annual Shareholder Meeting on April 28, 2010 approved the annual remuneration for directors as the following details:

Position	Remuneration per Month
Chairman of the Board and Chairman of the Audit Committee	Baht 40,000
Director	Baht 20,000

These levels of remuneration shall be valid until a shareholders' meeting passes the resolution to Change

### Financial Remuneration

#### A. Remuneration for the Board of Directors

Name	Position	Amount in 2008	Amount in 2009	Amount in 2010
1. Prof. Suphachai Phisitvanich <sup>1)</sup> *	Chairman of the Board and Chairman of the Audit Committee	720,000	720,000	240,000
2. Mr. Somchai Cheewasutthanon	Chief Executive Officer and Chairman of Executive Committee	180,000	180,000	220,000
3. Pol.Lt.Gen. Pitaneelaboot <sup>2)</sup> *	Director and Audit Committee	480,000	480,000	160,000
4. Mrs. Angoon Kamolyabutr <sup>3)</sup> *	Director and Audit Committee	480,000	480,000	160,000
5. Mrs. Siripen Sasinmanop	Director and Executive Committee	180,000	180,000	220,000
6. Mr. Anupan Kitnitchiwa *	Director	15,000	-	-



	Name	Position	Amount	Amount	Amount
			in 2008	in 2009	in 2010
7.	Mr. Pattanapong Nuphan	Director and Executive Committee	165,000	180,000	220,000
8.	Mr. Chakrapun Leelamasavat	Director and Executive Committee	-	120,000	220,000
9.	Mr. Wichean Yongrattanakij <sup>4)</sup> *	Director	180,000	30,000	-
10.	Mrs. Watchanee Watanathawanwong	Director and Executive Committee	180,000	180,000	220,000
11.	Mr. Somboon Cheewasutthanon <sup>5)</sup> *	Director	180,000	180,000	45,000
12.	Mr. Wiroj Bunsirirungruang <sup>6)</sup> *	Director	180,000	180,000	45,000
13.	Pol.Lt.Gen. Poonpanmoung <sup>7)</sup> * Somyot	Independent Director and Audit Committee	-	-	80,000
14.	Mr. Somrit Srithongdee <sup>1)</sup>	Chairman of Board Directors	-	-	320,000
15.	Mr. Akarat Na Ranong <sup>1)</sup>	Chairman of the Audit Committee	-	-	320,000
16.	Mr. Nuttawut Phowborom <sup>8)</sup>	Independent Director and Audit Committee	-	-	160,000
17.	Mr. Kamol Ratanachai <sup>9)</sup>	Independent Director and Audit Committee	-	-	20,000
Total			2,940,000	2,910,000	2,650,000

Note:

\* Lists of those who were no longer in hold the positions as of December 31 , 2010

<sup>1)</sup> Prof. Suphachai Phisitvanich resigned on 1 November, 2010 and was replaced by Mr. Somrit Srithongdee who took up his post on May 6, 2010 and Mr.Akarat Na Ranong was appointed to the Director and Audit Committee on May 6, 2010.

<sup>2)</sup> Pol.Lt.Gen. Thummanit Pitaneelaboot resigned on May 1, 2010.

<sup>3)</sup> Mrs. Angoon Kamolyabutr resigned on April 28, 2010.

<sup>4)</sup> Mr. Wichean Yongrattanakij resigned on March 4,2009 and Mr.Chakrapun Leelamasavat replaced Mr. Wichien on April 29,2009

<sup>5)</sup> Mr. Somboon Cheewasutthanon resigned from the Director on March 18, 2010 but remained in the position of Senior Executive Vice President- Operation

<sup>6)</sup> Mr. Wiroj Bunsirirungruang resigned from the Director on March 18, 2010 but remained in the position of Executive Vice President-Accounting and Finance, Company Secretary

<sup>7)</sup> Pol.Lt.Gen. Somyot Poonpanmoung took up the position as Independent Director and Audit Committee on April 28, 2010 and resigned on August 17, 2010.

<sup>8)</sup> Mr.Nuttawut Phowborom took up his post as the Independent Director and Audit Committee on May 6, 2010.

<sup>9)</sup> Mr.Kamol Ratanachai took up his post as the Independent Director and Audit Committee on November 12, 2010

### Remuneration of Executive Committee and Management of the Company

The Company and its subsidiaries paid the salaries and bonuses to the management for the amount of Baht 34.28 million in 2008 and Baht 32.56 million in 2009 and Baht 32.50 million in 2010, respectively

### Non-financial remuneration

On February 19 , 2004, the Company offered free warrants to purchase the Company's ordinary shares to 10 directors and Management for the total of 1,120,000 units according to the Employee Stock Ownership Program (ESOP-W). The ESOP-W expired on February 19 , 2007.

On November 6, 2007, the Company offered free warrants to purchase the Company's ordinary shares to 15 directors and Management for the total of 1,530,000 units according to the Employee Stock Ownership Program (ESOP-WII). The ESOP-WII expired on November 16, 2010.

Detail of the Board of Director, the Executives and the Authorized Persons as of December 31, 2010

Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
<b>Mr. Somrit Srithongdee</b> Age 61 years old Chairman of the Board (Director whose signature can bind the Company)	None	<ul style="list-style-type: none"> <li>- Master's Degree of Public Administration, Chulalongkorn University</li> <li>- Bachelor's Degree of Sociology &amp; Anthropology, Chiangmai University</li> <li>- Directors Certification Program (DCP), Thai Institute Of Directors (IOD)</li> <li>- Financial Statements for Directors (FSD), Thai Institute Of Directors (IOD)</li> <li>- Roles of Compensation Committee Program, Thai Institute Of Directors (IOD)</li> </ul>	-	2010-Present	- Chairman of the Board of Directors	- Matching Maximize Solution Plc.
					- Chief Executive Officer and President	- HR Professional Consulting and Services Co., Ltd.
					- Chairman of the Board of Directors	- ITBC Business Consultants Group Co., Ltd.
					- Human Resources Consultant	- Bangkok Broadcasting and Television Co., Ltd.
				2009-Present	- Independent Director and Audit Committee	- Eastern Star Real Estate Plc.
				2010-Present	- Senior Vice President - Human Resources	- Bank of Ayudhya Plc.
				2008-2009	- First Executive Vice President, Head of Special Projects - Human Resources	
				2007-2008	- Head of Human Resources - Secretary to Nomination and Compensation Committee	
				2002-Present	- Executive Director	- Siam Realty & Services Co., Ltd.



Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
<b>Mr. Somchai Cheewasutthanon</b> Age 46 years old Chief Executive Officer And Chairman of Executive Committee (Director whose signature can bind the Company)	Elder brother of Mr. Somboon Cheewasutthanon	- Honorary degree of Business Administration, Marketing, Rajamangala University of Technology Phra Nakhon - Director Accreditation Program (DAP) Thai Institute of directors Association (IOD)	4.66%	2010-Present	- Executive Director	- Aroi Tua Lar Fah Din Co., Ltd.
				2007-Present	- The Qualified Director	- Rajamangala University of Technology Phra Nakhon
				2004-Present	- Director	- Matching Television Co., Ltd.
				2003-Present	- Director	- Matching Movie Town Co., Ltd.
					- Director	- Book Maker Co., Ltd.
					- Director	- Goody Film BKK Co., Ltd.
				2002-Present	- Chief Executive Officer and Chief Executive Committee	- Matching Maximize Solution Plc.
					- Director	- Matching Studio Plus Co., Ltd.
					- Director	- Matching Broadcast Co., Ltd.
<b>Mr. Akarat Na Ranong</b> Age 57 years old Chairman of the Audit Committee and Independent Director	None	- Master's Degree, Business Administration (Management), Marshall University, U.S.A. - Bachelor's Degree, Economics, Chulalongkorn University - Certificate, Audit Committee Program (ACP), Thai Institute of Directors Association (IOD) - Certificate, Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) - Certificate, Role of the Compensation Committee, Thai Institute of Directors Association (IOD)	-	2010-Present	- Chairman of the Audit Committee and Independent Director	- Matching Maximize Solution Plc.
					- Associate Dean for Resources Development	- College of Music/Mahidol University
				2001-Present	- Director	- Krungthai Card Public Co.,Ltd.
					- Audit Committee	
					- Nominating and Remuneration Committee	
				1996-2009	- President	- TSFC Securities Plc.
				1995-1996	- President	- Thai Finance and Securities Plc.
				1990-1995	- Vice President	- Country Treasurer, Citibank N.A.

Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
<b>Mr. Nuttawut Phowborom</b> Age 46 years old Audit Committee and Independent Director	None	- Master of Business Administration (MBA) General Management, City University, Seattle, W A. U.S.A. - Bachelor Degree of Economics, The University of the Thai Chamber of Commerce, Bangkok Thailand - Directors Accreditation Program (DAP), Thai Institute of Directors Association (IOD) - Audit Committee Program (ACP), Thai Institute of Directors Association (IOD)	-	Present	- Audit Committee and Independent Director	- Matching Maximize Solution Plc.
					- Independent Director	- Health Network Plc.
					- Chief Financial Officer	- K.P.N. Group Corporation Co., Ltd.
					- Audit Committee and Chairman of the Remuneration Committee	- Prasit Pattana Plc. - Phayathai Hospital 1,2,3
					- Executive Director	- KPN Music Co., Ltd.
				2006-2010	- Chief Operation Officer	- K.P.N. Group Corporation Ltd.
				2002-2006	- Chief Operation Officer	- KPN Automotive Plc.
					- Executive Director	
				1996-2006	- Chief Financial Officer	- K.P.N. Holding Co., Ltd.
					- Director	- KPN - ST Logistics Co., Ltd.
<b>Mr. Kamol Ratanachai</b> Age 44 years old Audit Committee and Independent Director	None	- Master of Business Administration (MBA), Bangkok University - Bachelor Degree of Accounting, Bangkok University - Mini MBA, Fin1&Thummasat University - Certified Internal Auditor (CIA), The Institute of Internal Auditor USA - Audit Committee Program (ACP), Thai Institute of Directors Association (IOD) - Directors Accreditation Program (DAP), Thai Institute of Directors Association (IOD)	-	2010-Present	- Audit Committee and Independent Director	- Matching Maximize Solution Plc.
					- Vice President, Head of Internal Audit	- Secondary Mortgage Corporation
				2001-2009	- Vice President, Head of Internal Audit	- TSFC Securities Plc.
				1997-2001	- Head of Management Internal Control	- Thanapol Finance and Securities Plc.
				1992-1996	- Senior Manager, Management Internal Control Department	- Finance One Plc.



Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
<b>Mr. Pattanapong Nuphan</b> Age 45 years old Director and Executive Committee (Director whose signature can bind the Company)	None	<ul style="list-style-type: none"> <li>- MA in Sociology, Thammasat University</li> <li>- Director Accreditation Program (DAP) Thai Institute of Directors Association (IOD)</li> <li>- Diploma in Banking &amp; Finance, Young Banker Executive Development Program The Thai Bankers' Association</li> </ul>	-	May 2009-Present	- Director	- BBTV New Media Co., Ltd.
				Feb 2008-Present	- Director and Executive Committee	- Matching Maximize Solution Plc.
				Oct 2010-Present	- Senior Manager	- Bangkok Broadcasting and Television Co., Ltd.
				Sep 2008-Sep 2010	- Senior Manager and Manager to Office of the Chairman (Acting)	
				Nov 2007-Aug 2008	- Manager office of the Chairman	
				Aug-Nov2007	- Manager to Office of the Chairman (Acting)	
<b>Mrs. Watchanee Watanathawanwong</b> Age 57 years old Director and Executive Committee (Director whose signature can bind the Company)	None	<ul style="list-style-type: none"> <li>- Master of Business Administration Chulalongkorn University</li> <li>- Bachelor Degree of Accountancy Chulalongkorn University</li> <li>- Director Certification Program (DCP) Thai Institute of Directors Association (IOD)</li> <li>- Certified Public Accountant (CPA)</li> </ul>	0.02%	2006-Present	- Director and Executive Committee	- Matching Maximize Solution Plc.
				2005-Present	- Director	- V.I.P. Passport Co., Ltd.
				1999-Present	- Director and Audit Committee	- O.C.C. Plc.

Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
<b>Mr.Chakrapun Leelamasavat</b> Age 35 years old Director and Executive Committee (Director whose signature can bind the Company)	None	- Master of Business Administration, Financial Management California State University, San Bernardino , USA - Bachelor Degree of Business Administration, Information Technology Management California State University, San Bernardino , USA - Director Accreditation Program (DAP) Thai Institute of Directors Association (IOD)	-	2009-Present	- Director and Executive Committee	- Matching Maximize Solution Plc.
				Aug 2007- Present	- Managing Director	- BBTV New Media Co., Ltd.
				Aug 2006- July 2007	- Business Director	- M Interaction (Mindshare / Group M)
				May 2004- July 2006	- Business Development Manager and Production Manager	- Siam 2 You Plc.
<b>Mrs. Siripen Sasinmanop</b> Age 56 years old Director and Executive Committee (Director whose signature can bind the Company)	Wife of Mr. Thanisaphong Sasinmanop	- Management Development Program Thammasat University - Director Accreditation Program (DAP) Thai Institute of Directors Association (IOD)	0.19%	2004-Present	- Director	- Matching Television Co., Ltd.
				2003-Present	- Director	- Matching Movie Town Co., Ltd.
					- Director	- Goody Film BKK Co., Ltd.
				2002-present	- Director and Executive Committee	- Matching Maximize Solution Plc.
					- Director	- Matching Studio Plus Co.,Ltd.
					- Director	- Matching Broadcast Co.,Ltd.
				2001-Present	- Director	- Fatman and Little boy Co., Ltd.
				1999-Present	- Director	- Matching Entertainment Co., Ltd.
				1994-Present	- Director	- Gear Head Co., Ltd.
				1992-2002	- Director	- Matching Studio Co.,Ltd.
				1982-1996	- Director	- Siam Studio Co., Ltd.

Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
<b>Mr. Thanisaphong Sasinmanop</b> Age 53 years old Senior Executive Vice President (Production Group)	Husband of Mrs. Siripen Sasinmanop	- Honorary Degree of Technology Major Photography and Cinematography Technology, Faculty of Mass Communication Technology, Rajamangala University of Technology Thanyaburi	5.21%	2003-Present	- Director	- Matching Movie Town Co., Ltd.
				2010-Present	- Senior Executive Vice President (Production Group)	- Matching Maximize Solution Plc.
				2003-2010	- Director - Senior Executive Vice President (Production Group)	
				2003-Present	- Director - Director	- Matching Studio Plus Co., Ltd. - Matching Broadcast Co., Ltd.
				2001-Present	- Director	- Fatman and Little boy Co., Ltd.
				1999-Present	- Director	- Matching Entertainment Co., Ltd.
				1994-Present	- Director	- Gear Head Co., Ltd.
				1992-2002	- Director	- Matching Studio Co.,Ltd.
<b>Mr. Somboon Cheewasutthanon</b> Age 44 years old Senior Executive Vice President (Operation Group)	Younger Brother of Mr. Somchai Cheewasutthanon	- Bachelor of Accountancy - Finance University of the Thai Chamber of Commerce - Director Accreditation Program (DAP) Thai Institute of Directors Association (IOD)	0.14%	2006-Sep2008	- Director	- Merit Land Co., Ltd.
				2004-Present	- Director	- Matching Television Co., Ltd.
				2003-Present	- Director - Director - Director	- Matching Movie Town Co., Ltd. - Book Maker Co., Ltd. - Goody Film BKK Co., Ltd.
				2010-Present	- Senior Executive Vice President (Operation Group)	- Matching Maximize Solution Plc.
				2002-2010	- Director - Senior Executive Vice President (Operation Group)	
				2002-Present	- Director - Director	- Matching Studio Plus Co., Ltd. - Matching Broadcast Co., Ltd.
				2001-Present	- Director	- Fatman and Little boy Co., Ltd.
				1999-Present	- Director	- Matching Entertainment Co., Ltd.
				1994-Present	- Director	- Gear Head Co., Ltd.
				1993-2001	- Executive Committee and Manager Accounting and Finance	- Matching Studio Co.,Ltd.

Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
<b>Mr. Wiroj</b> <b>Bunsirirungruang</b> Age 43 years old Executive Vice President Accounting and Financial Department - Operation	None	- Master of Accounting Thammasat University - Bachelor of Accounting Dhurakij Pundit University - Director Accreditation Program (DAP) Thai Institute of Directors Association (IOD)	-	2006-Sep2008	- Director	- Merit Land Co.,Ltd.
				2004-Present	- Director	- Matching Television Co., Ltd
				2003-Present	- Director	- Matching Movie Town Co., Ltd.
					- Director	- Book Maker Co., Ltd.
					- Director	- Goody Film BKK Co., Ltd.
					- Director	- Matching Studio Plus Co., Ltd.
					- Director	- Matching Broadcast Co., Ltd.
					- Director	- Fatman and Little boy Co., Ltd.
					- Director	- Matching Entertainment Co., Ltd.
					- Director	- Gear Head Co., Ltd.
				2010-Present	- Executive Vice President Accounting and Financial Department - Operation	- Matching Maximize Solution Plc.
				2002-2010	- Director - Executive Vice President Accounting and Financial Department-Operation	
				1997-2002	- Vice President Accounting and Financial Department	



Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
<b>Mrs. Ladawan Khumsap</b> Age 43 years old Vice President of Accounting, Financial and Budgeting Group Company	None	- Bachelor of Accounting Ramkhamhaeng University	0.04%	2009-Present	- Executive Vice President Finance and Central Department (Acting)	- Matching Maximize Solution Plc.
				2005- Present	- Vice President of Accounting Financial and Budgeting Group Company	
				2001-2002	- Assistant Vice President of Accounting and Financial Dep.	- Quality House Plc.
<b>Mr. Adtachai Kittiwattananukroj</b> Age 37 years old Vice President of Accounting and Finance Department	None	- Master of Accounting Ramkhamhaeng University - Bachelor of Accounting Ramkhamhaeng University	0.04 %	2008-Present	- Vice President of Accounting and Finance Dep.	- Matching Maximize Solution Plc.
				2004-2007	- Manager of Accounting and Finance Dep.	- Matching Entertainment Co., Ltd
				2000-2004	- Vice President of Accounting and Financial Dep.	- Quality House Plc.

# Corporate Governance

The Company aimed to be a leader in the entertainment industry and commercial production business, both in the domestic and international markets. The Company was also committed to creating credibility amongst investors and stakeholders, adding values of the organization, and promoting business transparency. With an effective management and operation systems to support its stable growth, the Company operated business, based on the good corporate government. The Board of Directors of Matching Maximize Solution Plc. strongly believed that the good corporate governance principle should be a main factor to add values and create the highest returns to shareholders and all related parties in the long term. The Company always updated the good corporate governance principles to be in compliance with the regulation of the Stock Exchange of Thailand as fell as following such principles.

1. Board of Directors, management, employees shall follow the good corporate governance principles with a clear understanding.
2. Board of Directors, management, employees shall fairly treat stakeholders and work with transparency for the benefits of the Company.

## **Rights of Shareholders**

Shareholders have the rights as the owners of the company. They have the right to attend the company's shareholder meetings that can lead the directions of the company. The shareholders can design the directions of the company through the directors, they selected. They can also make decisions about important matters in the shareholder meeting. The shareholder meetings are thus very important stages for the shareholders to make decisions. Thus, they have the right to attend the meeting and be allocated sufficient time to consider and acknowledge any related matters.

In every shareholder's meeting, the Company's policy requires the Chairman of the Board of Directors, Directors and Chief Executive Officer to attend the meeting. Chairman of the meeting shall allow shareholders to have the opportunity to make enquiries, express their opinions and suggestions to the Directors in order to create the same understand and subsequent improvement. The minutes of meeting shall be recorded and approved by the Directors and sent to shareholders for approval in the next meeting.

## **Equality of Stakeholders**

Although the voting right of shareholders depends on portion of stakeholding, this does not mean that the basic rights as stakeholders are different. The Company equally treated the stakeholders regardless of genders, ages, nationality, races, religions, belief, and political opinions. In the case that any stakeholders are unable to attend a meeting, they have the right to attend the meeting by proxy.

In every shareholder's meeting all shareholders had the rights and equality of receiving information, expressing opinions and asking questions in the meetings, in accordance with the meeting agenda and the issues discussed in the meetings. One of the Board of Directors' responsibilities in the meeting was to allocate appropriate time to the shareholders to ask questions as well as encouraging them to express their opinions. Normally the shareholders could obtain the details of the meeting from the Company's website prior to meeting date. To promote the rights of the shareholders, the Company posted an announcement that encouraged the shareholders to nominate a person to assume the role of a director and suggest the additional meeting agenda for the annual shareholders meeting. In addition, the shareholders were also encouraged to express their ideas on some clear directions for some working procedures.



The Company had a policy to hold a shareholder meeting once a year and the meeting was set to be arranged within 4 months, after the end of the fiscal year. In 2010, the Company held the shareholder meeting on April, 28, 2010, at Matching Maximize Solution Public Company Limited, 305/10 Soi Sukhothai 6, Sukhothai Road, Dusit Sub-District, Dusit District, Bangkok. The meeting agenda was disclosed for the shareholders' review on the company's website within the day that the Board of Directors approved the meeting agenda so that all shareholders had a chance to review the details about the meeting as well as the meeting agenda. Normally, the Company disclosed all details about the meeting 21 days prior to the meeting date. The attendants included Chairman of the Board, Chairman of the Corporate Governance Committee, directors and corporate governance committee members. The Board of Directors accommodated in all shareholder meetings by treating all shareholders equitably, in terms of their right documentation. The Company appointed Thailand Securities Depository Co., Ltd. as the Company's registrar.

When the Company was about to arrange any shareholders meeting, it submitted invitation letters that included: the meeting agenda; details of each agenda which clearly stated whether it was for acknowledgement, approval or consideration, Board of Directors' opinions on such agenda and relevant information. These details were sent to the shareholders no less than 7 days prior to the meetings so that the shareholders sufficient time to review the meeting details before exercising their voting rights for each agenda. Moreover, such invitation and details about the meeting were also published in the newspapers for 3 consecutive days at least 3 days prior to the meeting date. The power of attorney documents were also attached to the invitation letters for the shareholders who were unable to attend the meeting and who would like to attend the meeting and vote by proxy. Such shareholders may ask any person including Chairman of the Board of Directors or one of the Independent Directors to act as their proxies. Such shareholders had the full right to ask their proxies to have full votes or partial votes.

The matters to be carried out at an annual shareholder meeting are as follows:

- 1) Consider the Board of Directors' report regarding the Company's performance for the previous year that is to be presented in the meeting
- 2) Consider approving balance sheet and profit and loss statements
- 3) Consider approving profit distribution and dividend payment
- 4) Consider appointing new directors replacing those who leave after their terms end and determine directors' remuneration
- 5) Consider appointing the auditor and audit fee
- 6) Discuss other matters as deemed appropriate by the Chairman of the meeting

Shareholders' resolution shall comprise of the following votes:

- 1) In a normal case, the majority of votes shall be deemed resolution. In case of an equality of votes, the Chairman of the meeting shall have a casting vote.
- 2) In the following cases, a total number of votes not less than three-fourths of the total number of votes cast by the shareholders present and entitled to vote shall be deemed resolution.
  - Sale or transfer of the Company's business, in whole or in part, to other entities
  - Purchase or acquisition of the business of other companies or private companies by the Company
  - Creation, amendment or termination of any contracts with respect to the granting of a lease of the Company's business, in whole or in part, the assignment to any other person(s) to manage the Company or the merging of the Company with any other entity to share profit and loss
  - Additional amendment of the memorandum of association or article of association
  - Capital increases or decreases
  - Debenture issuances
  - Company amalgamation
  - Company dissolution

In case of some urgent matters or extraordinary agenda which may have an effect on shareholders' benefits or have to conform to any rules or regulations that require shareholders' resolution, the Company may reserve the right to ask for an extraordinary general meeting, as the case may be.

### **Stakeholders**

The Company placed the great importance on the rights of all stakeholders. The Company appropriately treated the stakeholders including shareholders, employees, management, customers, business partners, contractual parties, creditors, commodity and society in order to create full cooperation amongst the stakeholders in various groups. This would in turn cause the Company's operations to go well and stably and ensure that all stakeholders were treated fairly. The directors shall disclose some non-financial information to show proof that the Company was well considerate towards all stakeholders when making any decisions associated with the Company's operational guidelines. In addition, the Company also clearly indicated the groups of shareholders and specified the degrees of importance for each stakeholder group in order to avoid mistakes.

### **Responsibilities for Shareholders**

The Company was committed to effectively running the business and ensuring the shareholders' greatest satisfaction by taking into consideration its long-term growth and sustainable returns. The Company was also determined to operate business in a transparent manner and disclose the financial position as well as the Company's earnings performance or general information. To comply with such principles, the Company had set forth the following guidelines:

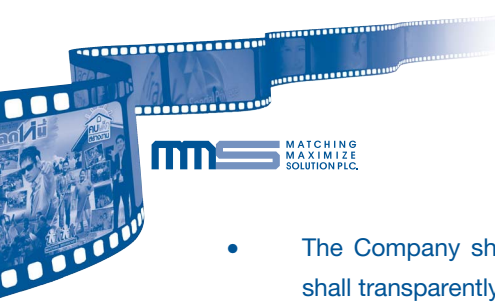
- Directors, Management and all employees shall perform duties with honesty and fairness to every shareholder.
- Manage the Company's business by applying full knowledge and managerial skills and consider any action with care and caution.
- Accurately disclose the Company's operating results as well as reporting its financial status to shareholders in accordance with the international standard accepted by international financial markets, as specified by the Stock Exchange of Thailand.
- Not proceed with any actions in a way that may cause conflicts of interests to the Company
- Not seek benefits for oneself or related parties by using any information of the Company not yet disclosed to the public
- Not disclose confidential information to outsiders

### **Responsibilities for customers, business partners, contractual parties, competitors and creditors**

Customers, business partners and contractual parties

- The Company intended to procure goods and services which comply with standard and ethics based on following procedures:
  - 1) Having appropriate and fair processes of competition and selections
  - 2) Having criteria in assessing and selecting business partners and contractual parties
  - 3) Preparing proper contractual forms
  - 4) Setting management and monitoring the system to ensure that terms and conditions under the agreement are carried out completely to protect fraud and corruption in every procurement process
- The Company intended to provide services in accordance with occupational standard practices plus quality, honesty and fairness.
- The Company had a policy to maintain confidential information of trade partners and contractual parties and not to pursue any unethical practices e.g. bribery in hope to benefit its business.





- The Company shall run its business on a fair and transparent basis. For instance, the Company shall transparently make decisions about any business deals by carefully considering and comparing prices, quality and services. In any circumstance, it is not permitted to request business partners and contractual parties to provide or accept any form of benefits in doing business.
- The Company aimed to develop and sustain long-term relationship with business partners and contractual parties. The Company had a clear objective to offer high quality technical products and worthwhile services as well as creating respects amongst one another.
- The Company has a clear policy to make punctual payments to its business partners and contractual parties according to terms and conditions set forth.
- The Company was committed to operating its business with business partners and contractual parties in compliance with related consumer protection laws.

#### Competitors

- The Company fairly competed with its competitors and it did not illegally obtain the confidential information of the competitors.
- The Company did not intend to damage the reputations of competitors through false accusations without factual information.

#### Creditors

- The Company strictly performed in accordance with the conditions agreed with creditors
- The Company honestly reported its financial status to the creditors.
- The Company informed creditors, in advance, of its inability to follow the obligations of the agreement in order to jointly seek solutions and prevent possible damages.



#### **Responsibilities for Directors, Management and Employees**

- The Company had a policy to continuously educate and fairly provide remuneration to directors, management and employees at reasonable levels.
- The Company put a great emphasis on welfare, stability and career advancement of employees.
- The Company had a policy to have all directors, management and employees protected by law. In addition, the Company created decent working environment with safety and sanitation in order to protect lives and assets of Directors, management and employees.
- The Company's policies concerning safety and sanitation for employees including the following:
  - 1) The Company tried to protect its employees from accidents, injuries and pains caused by the occupation. In the mean time, the Company also attempted to limit and manage the risks which may arise from normal business operations.
  - 2) The Company designed tools and equipments, created work instructions, trained and supervised its employees in order to ensure safety to lives and assets of the employees, including community.
  - 3) The Company promptly, efficiently and cautiously cooperated with government agencies and other organizations to cease emergencies or accidents from operations.
  - 4) The Company strictly complied with applicable laws and regulations and laid down reliable safety procedures in case such laws and regulations did not exist.
- The Company had a policy to encourage everyone in the Company to share the same values and create unity within the organization as well as urging all employees to take parts in setting the company's directions as well as solving problems.

## Responsibilities for Communities, Society and Environment

Profit-taking was not an only goal of the Company. As a part of society, the Company was also responsible for the society. The Company was determined not to not take advantage from the society but it rather tried to help society by supporting those with fewer opportunities and help them improve the quality of their lives. The Company continued to create and support useful activities for communities and society. Meanwhile, it never supported any activities which were illegal or might have caused damages to the reputation of the country, national resources and environment as well as any activities that threatened the national security.

The Company realized and cared about safety of the society, environment and quality of people's lives. The Company was committed to preserving the country's limited natural resources for the benefits of the next generation as well as supporting the efficient uses of energy for sustainable development. The Company thus set the following guidelines.

- 1) Conduct businesses under the framework of rules and regulations of the organization
- 2) Consider options for using natural resources with the least impacts on society, environment and quality of people's lives
- 3) Implant considerations about social and environmental responsibilities among employees at all levels
- 4) Act as a leader supporting the concept of energy preservation in efficient ways for the benefit of people in the next generation
- 5) Strictly conform and cooperate or control the operations in accordance with laws and regulations set by supervising entities

## Responsibilities for Government Entities and Relevant Organizations

The Company strictly acted in accordance with various relevant laws concerning environment, safety, labor, tax management and accounting including announcements made by government entities that related to the Company's business operations. The guidelines for this area are as follows:

- Encourage superiors to provide information about related laws so that the employees can use as a reference and this information should be regularly updated and easily accessed.
- Inculcate the sense of social responsibilities into the employees at all levels and also encourage them to act in accordance with laws and the Company's regulations
- Build good relationship with other organizations by fully supporting the government entities and relevant organizations and providing them with the information that benefits the country as a whole.

## Disclosure of Information and Transparency

### Prevention of Conflict of Interests

Realizing the potential conflict of interests which may arise, the Board of Directors had issued guidelines as a part of the Code of Ethical Business for all management and employees to avoid any personal conflict of interests with the Company and shareholders when dealing with trade partners and other parties.

Moreover, transactions that may cause conflict of interests or connected transactions shall be considered properly by the Board of Directors. The Board of Directors clearly determined guideline policy as well as approval procedures in accordance with the SET regulations. For example, a person who has conflict of interest or is a connected party shall inform the Company of his/her relationship or connection with such transactions and shall not attend the meeting for such agenda and vote (i.e. no approval authority). In addition, terms and conditions of the connected transactions shall be conducted in the same manner as the normal business practices done with third parties. If an expertise in some certain areas is needed, the Company shall seek

independent opinions from external specialists such as an auditor or other advisors. The opinion of the Audit Committee and/or other consultants shall be incorporated in decision making process of the Board of Directors and/or shareholders depending upon the related rules and regulations. Such transactions were to be disclosed in the Company's annual report, Form 56-1 and financial statements.

### Balance of the Power by Non-Executive Directors

As of December 31, 2010, the directors' structure of the Company comprised 3 committees i.e. the Board of Directors, Executive Committee and Audit Committee. In order to avoid potential conflict of interests, the Company had a policy to balance the directors' power by having 3 directors, out of 9 directors, as independent and non-executive directors.

### Aggregation or Segregation of Position

The Chairman of the Board of Directors must not be the same person as the Chief Executive Officer in order for segregation of duty in setting policy on corporate governance and routine management can be established. This can bring about management transparency as well as minimizing the potential conflict of interests and lessening the power of the Chief Executive Officer. Moreover, the Chairman of the Board of Directors shall make decisions independently in order to maximize the benefits for the Company and shareholders.

### Remuneration for Directors and Management

Without the Remuneration Committee at the present time, the remunerations given to the directors were carefully determined by the Company's Board of Directors in consideration of business expansion and growth of the Company. The 2010 Annual Shareholder Meeting on April 28, 2010 approved the annual remunerations for directors as the following details:

Position	Remuneration per Month
Chairman of the Board and Chairman of the Audit Committee	Baht 40,000
Director	Baht 20,000

These levels of remuneration shall be valid until a shareholders' meeting passes the resolution to Change

### Financial Remuneration

#### A. Remuneration for the Board of Directors

Name	Position	Amount in 2008	Amount in 2009	Amount in 2010
1. Prof. Suphachai Phisitvanich <sup>1)</sup> *	Chairman of the Board and Chairman of the Audit Committee	720,000	720,000	240,000
2. Mr. Somchai Cheewasutthanon	Chief Executive Officer and Chairman of Executive Committee	180,000	180,000	220,000
3. Pol.Lt.Gen. Pitaneelaboot <sup>2)</sup> *	Director and Audit Committee	480,000	480,000	160,000
4. Mrs. Angoon Kamolyabutr <sup>3)</sup> *	Director and Audit Committee	480,000	480,000	160,000
5. Mrs. Siripen Sasinmanop	Director and Executive Committee	180,000	180,000	220,000
6. Mr. Anupan Kitnitchiwa *	Director	15,000	-	-
7. Mr. Pattanapong Nuphan	Director and Executive Committee	165,000	180,000	220,000

Name		Position	Amount in 2008	Amount in 2009	Amount in 2010
8.	Mr. Chakrapun Leelamasavat	Director and Executive Committee	-	120,000	220,000
9.	Mr. Wichean Yongrattanakij <sup>4)</sup> *	Director	180,000	30,000	-
10.	Mrs. Watchanee Watanathawanwong	Director and Executive Committee	180,000	180,000	220,000
11.	Mr. Somboon Cheewasutthanon <sup>5)</sup> *	Director	180,000	180,000	45,000
12.	Mr. Wiroj Bunsirirungruang <sup>6)</sup> *	Director	180,000	180,000	45,000
13.	Pol.Lt.Gen. Poonpanmoung <sup>7)</sup> *	Independent Director and Audit Committee	-	-	80,000
14.	Mr. Somrit Srithongdee <sup>1)</sup>	Chairman of Board Directors	-	-	320,000
15.	Mr. Akarat Na Ranong <sup>1)</sup>	Chairman of the Audit Committee	-	-	320,000
16.	Mr. Nuttawut Phowborom <sup>8)</sup>	Independent Director and Audit Committee	-	-	160,000
17.	Mr. Kamol Ratanachai <sup>9)</sup>	Independent Director and Audit Committee	-	-	20,000
Total			2,940,000	2,910,000	2,650,000

**Note:**

\* Lists of those who were no longer in hold the positions as of December 31, 2010

<sup>1)</sup> Prof. Suphachai Phisitvanich resigned on 1 November, 2010 and was replaced by Mr. Somrit Srithongdee who took up his post on May 6, 2010 and Mr.Akarat Na Ranong was appointed to the Director and Audit Committee on May 6, 2010.

<sup>2)</sup> Pol.Lt.Gen. Thummanit Pitaneelaboot resigned on May 1, 2010.

<sup>3)</sup> Mrs. Angoon Kamolyabutr resigned on April 28, 2010.

<sup>4)</sup> Mr. Wichean Yongrattanakij resigned on March 4, 2009 and Mr.Chakrapun Leelamasavat replaced Mr. Wichien on April 29,2009

<sup>5)</sup> Mr. Somboon Cheewasutthanon resigned from the Director on March 18, 2010 but remained in the position of Senior Executive Vice President-Operation

<sup>6)</sup> Mr. Wiroj Bunsirirungruang resigned from the Director on March 18, 2010 but remained in the position of Executive Vice President-Accounting and Finance, Company Secretary

<sup>7)</sup> Pol.Lt.Gen. Somyot Poonpanmoung took up the position as Independent Director and Audit Committee on April 28, 2010 and resigned on August 17, 2010.

<sup>8)</sup> Mr.Nuttawut Phowborom took up his post as the Director and Audit Committee on May 6, 2010.

<sup>9)</sup> Mr.Kamol Ratanachai took up his post as the Director and Audit Committee on November 12, 2010

## **B. Remuneration for Executive Committee and Management of the Company**

The Company and its subsidiaries paid the salaries and bonuses to the management for the amount of Baht 34.28 million in 2008 and Baht 32.56 million in 2009 and Baht 32.50 million in 2010, respectively.

### **Non-financial remuneration**

On November 6, 2007, the Company offered free warrants to purchase the Company's ordinary shares to 15 directors and Management for the total of 1,530,000 units according to the Employee Stock Ownership Program (ESOP-WII). The ESOP-WII expired on November 16, 2010.



## Investor Relations

The Company's Board of Directors Company realized that it was important that the disclosed information shall be accurate, complete, widespread and transparent. Realizing that financial reports along with general information may have an impact on decision making of investors and stakeholders, the Company published information for investors, shareholders and public via the following channels:

1. The website of the Stock Exchange of Thailand (<http://www.set.or.th>) which includes
  - The company's news
  - Annual report form (56-1)
  - Financial statement (quarterly and annually)
  - Documents about resolutions of Board of Director's meetings
2. The website of Securities and Exchange Commission (<http://www.sec.or.th>)
3. The website of Ministry of Commerce (<http://www.dbd.go.th>)
4. Newspapers
5. Company's website <http://www.matchinggroup.com> , [www.matchingstudio.com](http://www.matchingstudio.com).
6. Company Visits/ One-On-One meetings
7. Analyst meetings
8. Press meetings
9. Letters mailed to shareholders

Moreover, to disclose accurate, adequate, and transparent information, the Company set up the Investor Relations Department to provide the information, news and activities of the Company to the investors, analysts, shareholders and other third parties. This includes providing efficient services to shareholders. This also enhances the Company's credibility and image.

Shareholders and investors are welcomed to contact the Company's investor relation officer via telephone at 0-2669-4200-9 or via e-mail at [investor@mmsbangkok.com](mailto:investor@mmsbangkok.com)

## Responsibilities of Boards of Directors

The Board of Directors under the leadership of Chairman as the representatives of the shareholders shall lead and be involved in the determination of the Company's targets, directions, policies, work plans and budget. The Board of Directors should honestly make sure that the Company's business was operated in accordance with the laws and regulation as well as the resolutions of the shareholder meetings in order to maintain the benefits of the shareholders. In addition, the Board of Directors should also monitor the management's performance to ensure that the established policy was achieved efficiently and effectively. This would not only increase the maximum economic values to the Company but also increase the highest securities to shareholders. The Board of Directors had set up the internal control system and closely followed the implementation of such on a regular basis. The Executive Directors were authorized to approve the investment worth no more than Baht 20 million while the Chief Executive Officers were authorized to approve the investment worth no more than Baht 10 million. These authorities of budget limits excluded the authorities to approve the budget for any conflicting or connecting transactions or other transactions that require shareholders' approval according to the rules and regulations of the SEC and the SET.

Moreover, the Company fully realized the importance of good corporate governance. 7 of the Company's directors completed the Director Accreditation Program (DAP) and 3 members of the Directors completed the Director Certification Program (DCP), and 2 Directors attended Audit Committee Program (ACP), organized by the Thai Institution of Directors Associations (IOD).

## Philosophy for doing business

To achieve sustainable growth and properly increase values for the stakeholders while taking account of the environmental aspects and providing benefits to the society as a whole, the Company aimed to

- Enhance its competitiveness as a leader in TV commercial production and service market.
- Become an excellent organization with workforce that is determined to create new things. All employees trust one another, with the aim of building operational standard for the management and employees at all levels. Details of which are as follows:
  - ◆ To focus on maximizing benefit for the Company in the long-run in order to create maximum values to shareholders
  - ◆ To concentrate on equitable treatment for both shareholders and stakeholders
  - ◆ To prevent conflicts of interests
  - ◆ To operate with care and full responsibility
  - ◆ To ensure the transparent operation that can be monitored
  - ◆ To set the internal control and internal audit systems that are up to standard, reliable and efficient
  - ◆ To lay down the Code of Business Ethic as a guideline for directors and staff

## The Code of Ethical Business

The Company put in place the Code of Ethical Business for all directors and staff to comply with in order to enhance values of its business. A primary goal of the Code of Ethical Business was to ensure that the management and employees treat the Company, stakeholders and society in professional, honest, transparent, equal and responsible manners. Moreover, the Company also assigned responsible persons to assess the performance and improve such Code of Ethical Business. Finally, the Company also had a policy to communicate to all staff and management constantly to ensure their understandings and publish information for all employees on a regular basis.

## Board of Directors' Meeting

The Board of Directors met regularly once a month and some special meetings were called for if needed. The invitation letters that clearly indicated the meeting date and agenda were sent to the members of Board of Directors at least 7 days prior to the meetings to ensure that the directors had adequate time to consider the information. Normally, each meeting took not less than 2 hours. In each meeting, Chairman of the meeting allowed each director to freely express his/her opinions. During the year 2010, the meeting details of Company's Board of Directors and of 2 other Committees, i.e. Executive Committee and Audit Committee, were clearly disclosed. During the same year, there were 16 Board of Directors' meetings, 12 Executive Committee meetings and 5 Internal Audit Committee meetings. The details of each director's attendance are shown in the following table.

	Name	Position	No. of Attendance/ No. of Meeting (Times)		
			Board of Directors for 2010	Executive Committee for 2010	Audit Committee for 2010
1.	Prof. Suphachai Phisitvanich *	Chairman of the Board and Chairman of the Audit Committee	5 / 5		1 / 1
2.	Mr. Somchai Cheewasutthanon	Chief Executive Officer and Chairman of Executive Committee	16 / 16	11 / 12	
3.	Pol.Lt.Gen. Pitaneelaboot * Thummanit	Director and Audit Committee	5 / 5		1 / 1

	Name	Position	No. of Attendance/ No. of Meeting (Times)		
			Board of Directors for 2010	Executive Committee for 2010	Audit Committee for 2010
4.	Mrs. Angoon Kamolyabutr *	Director and Audit Committee	3 / 4		1 / 1
5.	Mr. Thanisaphong Sasinmanop *	Director and Executive Committee	0 / 5	0 / 4	
6.	Mrs. Siripen Sasinmanop	Director and Executive Committee	15 / 16	12 / 12	
7.	Mr. Pattanapong Nuphan <sup>1)</sup>	Director and Executive Committee	15 / 16	-	
8.	Mrs. Watchanee Watanathawanwong	Director and Executive Committee	15 / 16	11 / 12	
9.	Mr. Chakrapun Leelamasavat <sup>1)</sup>	Director and Executive Committee	16 / 16	-	
10.	Mr. Somboon Cheewasutthanon *	Director and Executive Committee	2 / 2	3 / 3	
11.	Mr. Wiroj Bunsirirungruang *	Director	2 / 2		
12.	Pol.Lt.Gen. Poonpanmoung * Somyot	Independent Director and Audit Committee	1 / 7		0 / 2
13.	Mr. Somrit Srithongdee	Chairman of Board Directors	10 / 10		
14.	Mr. Akarat Na Ranong	Chairman of the Audit Committee	10 / 10		4 / 4
15.	Mr. Nuttawut Phowborom	Independent Director and Audit Committee	8 / 10		4 / 4
16.	Mr. Kamol Ratanachai <sup>2)</sup>	Independent Director and Audit Committee	1 / 1		1 / 1

#### Remarks

\* Lists of those who were no longer in hold the positions as of December 31, 2010

<sup>1)</sup> Mr. Pattanapong Nuphan and Mr.Chakrapun Leelamasavat were appointed to members of Executive Committee by the Board of Director meeting No 16/2010, on December 22, 2010

<sup>2)</sup> Mr. Kamol Ratanachai was appointed to a member of Board of Directors and Audit Committee by the Board of Director meeting No. 15/2010 on November 12, 2010

Note that all the minutes of the meetings endorsed by the Board of Directors were properly recorded and filed. They were always available for review and audit by the Board of Directors and relevant parties.

#### Sub-committees

The Board of Directors assigned various sub-committees for more effective and transparent operations of the Company. The details are as follows:

#### The Audit Committee

There were 3 members of the Audit Committee, all of whom were independent directors. The details are as follows:

- |                |            |                                 |
|----------------|------------|---------------------------------|
| 1. Mr.Akarat   | Na Ranong  | Chairman of the Audit Committee |
| 2. Mr.Nuttawut | Phowborom  | Audit Committee                 |
| 3. Mr.Kamol    | Ratanachai | Audit Committee                 |

The Board of Directors appointed 3 independent directors to be the members of the Audit Committee. One of the 3 independent directors must have the knowledge and experience in accounting and finance. The members of audit committee must be independent as stated in the rules and regulations concerning qualifications and scope of duties and authorities of the Audit Committee set forth by the Stock Exchange of Thailand. The members of the Audit Committee shall be in the position for 3 years for one period and shall remain the members for not more than two consecutive periods. However, the Board of Directors may grant some exemptions. Note that the Audit Committee reported directly to the Board of Directors and their scope of duties and authorities were reviewed annually as the following details:

### **Scope of duties and authorities of the Audit Committee**

The Audit Committee has duties and responsibilities according to the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand B.E 2551 which became effective from July 1, 2008 onwards:

1. To review the financial statements and make sure they are correct and adequate
2. To review the Company's internal control system and internal audit system and make sure that they are sufficient and effective; to ensure the independence of the Audit Committee; to give opinions concerning appointments, transfers, and employment cancellation of the heads of internal audit department or of any other departments that relate to the internal audit procedures
3. To review the Company's operations and make sure that they conform to the rules and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand, and any other laws related to the business operation of the Company.
4. To consider proposing an independent person as the Company's Auditor as well as proposing the remuneration of the Company's Auditor and also to join the meetings with the Auditor, without the presence of the management, at least once a year.
5. To review the accuracy and sufficiency of disclosure of information about some connected transactions and some transactions that may cause conflicts of interest.
6. To prepare the corporate governance's report of the Audit Committee and disclose this report in the Company's annual report. This report is to be signed by the Chairman of the Audit Committee. The report must contain the following details:
  - a) Opinions concerning accuracy, adequacy and reliability of the Company's financial statements
  - b) Opinions concerning the sufficiency of the Company's Internal Control
  - c) Opinions whether the Company follows the laws concerning securities and stock market, regulations of stock market and the laws that relate to the business of the Company
  - d) Opinions concerning the suitability of the Company's Auditor
  - e) Opinions concerning some transactions that may cause conflict of interest
  - f) Numbers of the Audit Committee meetings and the attendance of each member
  - g) Opinions or overall notes concerning that the Audit Committee receive from the Charter
  - h) Other items that should be disclosed to the shareholders and investors under the scope of responsibilities set by Board of Directors
7. To perform other duties as assigned by the Board of Directors and approved by the Audit Committee
8. To ensure the Company's effective risk management
9. To report performances of the Audit Committee to the Board of Director at least 4 times a year
10. To be authorized to hire advisors or outsiders, as stated by the Company's regulations, to provide opinions or consultancy as necessary
11. To be authorized to invite directors, executives, heads of departments or the Company's employees to discuss or answers the questions of Audit Committee
12. To review the responsibilities and evaluate the performance of the Audit Committee

13. Should the Audit Committee find that the following matters may have significant impacts on the Company's financial statement as well as its operating performance, the Audit Committee will report to the Board of Directors in order to reconsider or revise the matters within the timeframe that is found appropriate by the Audit Committee.
  - 13.1 Matters involving conflicts of interests.
  - 13.2 Corruptions or unusual matters about the internal audit system
  - 13.3 Violation of the laws concerning rules and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand, and any other laws related to the business operation of the Company
14. In case the auditor finds some unusual matters that may indicate that some directors, managers or responsible people violate the laws, the auditor should notify the Audit Committee for further scrutiny. The preliminary scrutiny result should be submitted to the Securities and Exchange Commission and the auditor within 30 days starting the date the auditor reports such suspicious matters. The suspicious matters and the scrutiny procedures should be in accordance with the regulations of the Securities and Exchange Commission.
15. To review and amend the charter of the Audit Committee as well as the reference once a year; note that the charter of the Audit Committee can be reviewed and amended only in the Board of Directors' meeting

#### **Nominating and Remuneration Committee**

Even though the Company did not have a Nominating Committee to select and nominate an appropriate person to be appointed as director, the Company had set criteria and guidelines for the appointment of the director. The Board of Directors considered directors based mainly on capability, experience, vision and trustworthiness. Moreover, in every annual general meeting, one-third of directors shall resign from their positions and such resigned Director may be re-elected upon the shareholders' resolution in accordance with the principles and procedures stated in the Articles of Association.

#### **Corporate Governance Committee**

The Company did not appoint specific sub-committee as it viewed that the Board of Directors and Executive Committee could deliberate and make decision on various matters efficiently. However, in the future, if the Company has larger business size and more complicated organization structure, the Company may consider appointing particular sub-committee for some specific matters as deemed appropriate.

#### **Internal Control and Internal Audit Systems**

Realizing the importance of the internal control system, the Company thus focused greatly on sufficiency and appropriateness of its internal control system that covered the Company's finance, management and operation. The Company also ensured that its internal control system was complied with the laws and related regulation and also improved such system to meet the standard set by the Stock Exchange of Thailand and as well as the international standard called Internal Control Framework set by the Committee of Sponsoring organizations of the Treadway Commission or COSO. The Company clearly specified the duties, responsibilities, authorities of the employees in the operation level and also the management in a written form. There are controls of the uses of the Company's assets. In addition, the duties of employees in the operation, inspection and evaluation sectors were clearly separated in order that an appropriate balance of work was created. Moreover, the Company also created the financial report system for the responsible departments. Note that the members of Board of Directors express their opinions concerning the sufficiency of the internal control system in the Company's financial reports under the section "Internal Control"



To ensure the efficiency in production of important documents and the internal control and to ensure that the internal control was improved regularly, in 2008 the Company set up the internal audit section. This section was assigned to review the internal operation as well as assessing the effectiveness and the sufficiency of the internal audit system of the Company and its affiliates. The internal audit section's main objective was to ensure that the core operation and the financial activities of the Company and its affiliates were effectively run as meet the management's objectives. In addition, the internal audit section also inspected whether all operations of the Company were in accordance with the laws and other regulations set by the Company. Hence, in order to enable the members of internal audit section to independently perform their duties, the Board of Directors stated that the internal audit section reported directly to the Internal Audit Committee. The internal audit section was also assigned to carry out the inspection duties, in accordance with the Company's annual work plan, that was approved by the Internal Audit Committee. The internal audit section was required to regularly report the inspection results and send some suggestions to the Internal Audit Committee and the Chairman of the Board in a timely manner.

### **Board of Directors' Reports**

The Board of Directors held responsibility for the accuracy and reliability of the financial reports (which were already audited) of the Company and its subsidiaries, including financial information disclosed in the Company's annual report. The financial statement was regularly prepared with care to conform to the general accepted accounting standards. In preparing such financial reports, the appropriated accounting policies were selected and consistently applied while judgment and forecast were carefully used. Moreover, the significant information shall be adequately disclosed in the notes to financial statement due to the guideline suggested by the Stock Exchange of Thailand.

Moreover, the Board of Directors appointed the Internal Audit Committee which consisted of independent directors to oversee the quality of Company's financial reports and the internal audit system. Opinions of the Audit Committee were reported in the 56-1 form for 2010. All members of the Audit Committee and the management attended the meeting in order to review the efficiency of the Company's internal audit system in various areas that were set by the Company's management. The minutes of every Board of Directors' meeting was recorded and contained proper details, e.g. questions and opinions of each director for each agenda and opposite opinion along with the rationales, so that that shareholders can examine the appropriateness of the directors in performing their duties. Nevertheless, the Board of Directors continuously and firmly focused on applying the good corporate governance policies to the Company's management and operations to create a good image and reliability of the Company amongst the investors and the public.

# Internal Control System

Realizing the importance of the internal control system, the Company thus focused greatly on adequacy and appropriateness of its internal control system in terms of organization control and environment measure, risk management, control of management's activities, information communication system as well as monitoring system.

According to the Board of Directors' meeting No. 2/2011 held on February 25, 2010 in the presence of all 3 members of the Audit Committee attending, the Audit Committee jointly assessed the Company's internal control system based on the Internal Control Evaluation Form which was designed by the Board of Directors and the management to assess the adequacy of the Company's internal control system. In this regard, the Board of Directors was allowed to make further inquiries from the Management in regard to the adequacy of the Company's internal control system in 5 key areas i.e. organization control and environment measure, risk management, control of management's activities, information and communication system as well as monitoring system. The Board of Directors and Audit Committee were of the opinion that the Company had appropriate and sufficient internal control system in preventing the misuses or unauthorized uses of assets by the management. There were records of the accounting in order to make sure that the financial statements were accurate and reliable. There was also an effective filing system so that the directors, the auditor and the authorities could review the information within an appropriate time. In addition, the internal control also ensured that all practices were performed in accordance with the laws and regulations relating to business operations. Finally, the Company also continued to put an emphasis on appropriate development of risk management.

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The Internal control and audit systems of the Company were defined as follows:

## 1. Organizational Control and Environment Measures

As the Company recognizes the importance of proper organizational structure and environment as a key foundation of the efficient internal control system, it had a policy to create the controlling environment or other areas that support and encourage every person to realize the necessity of the internal control and have positive attitudes toward the Company's internal control system. The details are as follows:

- The Company emphasized honesty and ethics in running the business and also created proper organizational structure, defined clear roles and responsibilities and endorsed written policies and guidelines.
- The Board of Directors ensured clearly-defined and measurable business targets with short-term business targets. Revenues and expenses were planned quarterly so that each unit could follow the same budget plan. Meanwhile, the Company also reviewed its business targets quarterly. Organizational structure was set to explicitly divide roles of each function. The organization was divided mainly into two key divisions i.e. Operation Division, and Production Division. Both divisions shall assist the Management in managing the Company's operations more effectively.
- The Company announced the Code of Conduct with restriction for the Management and staff to act in a way that could lead to conflicts of interest with the Company as well as the Financial Transaction Practices for the Executive Committee and Department's Vice President. Purchasing and General Management Policies and Procedures were also in place and strictly enforced. To prevent fraud, non-compliance was subject to penalty.

Maintaining long-term benefits, the Company set such policies and plans, based on the fairness to trade partners.

## 2. Risk Management Measures

The Company carefully considered or deliberated the characteristics of risks, both internal and external, that it was encountering and that it might have encountered in the future. The Company also set up some measures to evaluate the events that might be associated with such risks on regular basis. The Company set the principles for risk management at 2 levels.

- 1) Policy level that is overseen by the Board of Directors and Board of Executive
- 2) Operation level that is overseen the Management and other responsible employees who work, based on chain of command, and manage risk and report to the Management

Top Management met every month to acknowledge the risks and identify appropriate risk management measures as well as implementing and monitoring whether each function followed the set measures in proper manners.

## 3. Management Control Activities

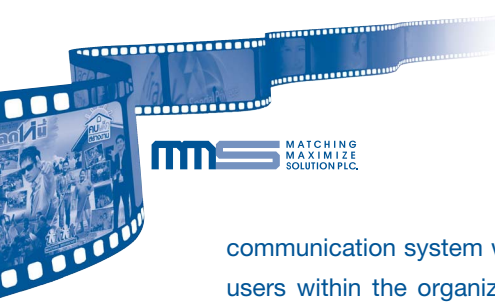
To ensure that the guidelines laid down by the Management were fully responded and practiced by everyone in the Company, the Board of Directors declared the following policies to control management's activities:

- 1) Authorities and budget approval limit of the management in each level were clearly defined in writing.
- 2) Duties and responsibilities were explicitly segregated into three areas for the purpose of check and balance i.e. (1) Approval role (2) role of recoding accounting transaction and information memorandum; and (3) Asset custody role
- 3) In case the Company engaged in a transaction with major shareholders, directors, Management or related parties to such persons, measures were well defined for determining authorities and responsibilities of the Executive Committee. The Audit Committee will also give opinion on these types of transactions. Approval of such transaction shall be done in absence of those who have conflicts of interest in order to maintain the highest benefits for the Company. Such types of transactions shall be treated in the same way as the transactions done with external parties. In general, the Audit Committee shall provide opinions about the necessity and suitability of those particular transactions. In case the Audit Committee does not have expertise in considering those connected transactions, the Company will seek opinions from an independent expert or the Company's auditor. Then, these opinions shall be taken into account for the decision making process of the Board of Directors or the shareholders take, whichever the case may be.

In conclusion, the Company had sufficient, appropriate and effective management control activities. The Policies and regulation concerning management control activities were stated in a written form which clearly specified the operations that contained significant risks. The Company also set clear procedure for work control in order to prevent and reduce mistakes. The earnings result was reviewed by the Management. The Company also used the Key Performance Indicator to evaluate all employees. There was sufficient and appropriate internal control over various areas including Management, internal control accounting, procurement, human resources management and various transactions.

## 4. Information and Communication Measure

The Company provided the information and communication system for working procedure, reports of the Company's financial statements and operating performance. In addition, the information and communication system was also designed to make sure that the company's policies and regulations concerning the control over activities within the organization were followed. The information and



communication system was also used as a channel to convey all outside information to Management and users within the organizations. The information and communication system was so effective that those who received the information could follow the given instructions effectively. This proved that the communication both inside and outside the organization was effective enough for the Company's objectives to be reached.

The Board of Directors had a policy to provide accurate information for shareholders, investors and relevant parties and also to enhance efficiency of the Company's internal control system.

In proposing the agenda for Board of Directors' consideration, the Company always provided sufficient information to assist them in decision making, e.g. details of the meeting agenda, rationales, impacts on the Company and possible options. The members of Board of Directors received the invitation letters, including necessary and sufficient information for consideration, at least 7 days prior to the meeting. Moreover, the minutes of each Board of Directors' meeting were recorded with proper details, e.g. queries, opinions or observation of each director for each agenda as well as contrast opinions and reasons, so that the shareholders could determine whether the Board of Directors appropriately performed their duties in the meeting.

In addition, the Company maintained a complete set of the accounting data and related documents by category and regularly monitor whether the accounting policies were in compliance with the general accepted accounting standard and suitable for business operations of the Company. The accounting policies selected by the Company must not present inaccurate operating results.

## 5. Monitoring System

The Company regularly monitored the results of its internal control system and operating performance. It set the working procedure as a means to monitor its internal control system and be a part of normal working procedure of Management, supervisors and related persons.

Moreover, to ensure the efficiency and effectiveness of business operations, in 2008 the Company established the internal audit department whose internal system shall be reviewed annually. The Company's Audit Committee regularly reviewed the earnings results, risk management and etc. In case, there were some areas that need to be improved as suggested by the internal audit department, the Company accordingly established a working guideline to ensure that the comments of internal audit department are addressed. Moreover, the internal control system was always been in effect, improved and revised to be in line with changing situations so that all mistakes were promptly resolved.

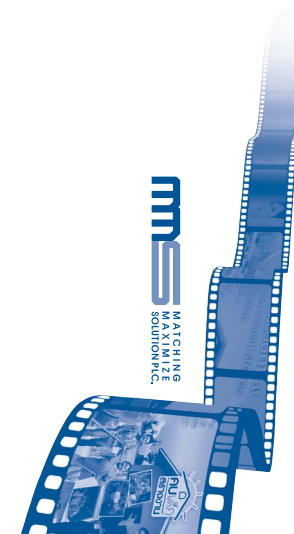
The Board of Directors had monitored the management's performance to ensure that the business targets were carried out. In case some significant errors were inspected, the management would directly report to the Board of Directors/the Audit Committee in order to seek a resolution to rectify the situation in a timely manner. The progress of such rectification shall be informed to the Board of Directors/the Audit Committee. Furthermore, the Company's performance shall be closely monitored and adjusted regularly in accordance with current situation.

The Audit Committee reviewed the Company's internal control system which was already reviewed by the Management and the audit department and found no significant errors. The comment of the Audit Committee was in line with that of the Company's auditor who viewed that the Company's internal control system was adequate and effective.

## Connected Transactions

In 2010, the connected transactions between the Company and its subsidiaries, related companies and persons that may have conflict of interests are as follows

Connected Person/ Entity	Relationship	Type of Transaction	Transaction Value (Baht Million)	Necessity/Remark	Audit Committee's Opinion
Matching Entertainment Co., Ltd.	Subsidiary (The Company holds 100%)	(A) Debtor	58.30	Support liquidity within Matching Group, which is more convenient and faster than outside borrowing, with an interest rate is 6%.	It is a reasonable transaction that supports business of Matching.
		(B) Accrued interest receivables	1.15		
		(C) Interest income	3.53		They are reasonable transactions.
		(D) Service revenue	0.11	Provide post production serviced and teasers for advertisement on radio, based on normal business practices; the service fees are the same as the service fees quoted for outside customers	
		(E) Service cost	0.17	Cost for event organizing services paid to other organizers; the prices of such services were based mainly on the budget of the Company's outside customers.	
		(F) Other revenues	0.48	The revenue from renting the office building out to facilitate the administration, with reasonable rental rate	
Matching Studio Plus Co., Ltd.	Subsidiary (The Company holds 100%)	(A) Account receivables	19.13	Provide setting services by highly skilled and experienced art teams for featured film production companies	It is a transaction that supports business of Matching Group and fully utilizes human resources' quality
		(B) Service revenues	4.60	Provide post production serviced and teasers for advertisement on radio, based on normal business practices; the service fees are the same as the service fees quoted for outside customers	



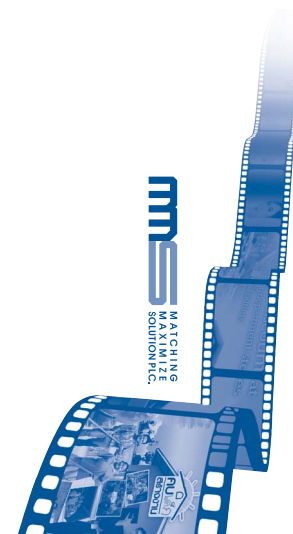


Connected Person/ Entity	Relationship	Type of Transaction	Transaction Value (Baht Million)	Necessity/Remark	Audit Committee's Opinion
Gear Head Co., Ltd.		(C) Account payable	8.74	Provide TV commercial production services by highly skilled and experienced production teams, based on normal	
		(D) Cost of services	32.14	business practices with the service fees that are the same as the service fee quoted for outside customers.	
		(E) Other revenue	1.37	Revenue from building facility services to facilitate the general administration, with reasonable rates.	
		(F) Debtor	5.00	Support liquidity within Matching Group,	
		(G) Interest income	0.25	which is more convenient and faster than	It is a reasonable transaction that supports business of Matching Group.
		(H) Interest expenses	0.01	outside borrowing, with an interest rate is 6%.	
		(A) Debtor	47.00	Support liquidity within Matching Group,	It is a reasonable transaction that supports business of Matching Group.
		(B) Accrued interest receivables	3.83	which is more convenient and faster than	
	Subsidiary (The Company holds 100%)	(C) Interest income	2.82	outside borrowing, with the interest rate of 6%	It is a normal connected business transaction which also supports business of Matching Group.
		(D) Accounts Payable	0.34	Provide equipment rental service for commercial production companies; the service fees were based on standard chares seen in the market and the same amount charged to outside customers and the discount prices were normal prices charged to other customers	
		(F) Cost of service	4.09		
		(H) Operating expenses	0.02	Buy products, which are normal business practices, with the same price as outside customers	

Connected Person/ Entity	Relationship	Type of Transaction	Transaction Value (Baht Million)	Necessity/Remark	Audit Committee's Opinion
Matching Movie Town Co., Ltd.	Subsidiary (The Company holds 100%)	(A) Debtor	39.00	To support liquidity within Matching Group, which is more convenient and faster than outside borrowing, with the interest rate of 6%	It is a reasonable transaction that supports business of Matching Group.
		(B) Accrued interest receivables	2.60		
		(C) Service revenue	2.00	Revenues from providing services about designing TV program “Plod Nee” whose airtime was expanded; the service fee is based on normal rate as offered to outsider	It is a reasonable transaction.
		(D) Other revenues	0.06	Revenues from providing the services to facilitate the administration in the organization, with reasonable service rate	
Matching Broadcast Co., Ltd.	Subsidiary (The Company holds 100%)	(A) Other revenues	0.06	Revenues from providing the services to facilitate the administration in the organization, with reasonable service rate.	It is a reasonable transaction.
		(B) Interest expense	0.01	To support liquidity within Matching Group, which is more convenient and faster than outside borrowing, with the interest rate of 6%	It is a reasonable transaction that supports business of Matching Group.
Book Maker Co., Ltd.	Subsidiary (The Company holds 100%)	(A) Cost of service	0.26	Provided printing designs for catalogues of “Kulasatri” event, which was a normal business practice, with the same prices charged to outside customers	It is a normal connected business transaction which also supports business of Matching Group.
		(B) Other revenues	2.26	Revenues from providing office services to facilitate the administration, at a reasonable service rates	
		(C) Operating expenses	0.01	Purchased products which were normal business practices, with the same prices charged to outside customers.	

Connected Person/ Entity	Relationship	Type of Transaction	Transaction Value (Baht Million)	Necessity/Remark	Audit Committee's Opinion
		(D) Interest income	0.07	To support liquidity within Matching Group, which is more convenient and faster than outside borrowing, with the interest rate of 6%	It is reasonable transaction that supports business of Matching Group.
Goody Film BKK Co., Ltd.	Subsidiary (The Company holds 60%)	(A) Service revenue	0.09	Given high potential and professionalism in producing international TV commercials, it receives work orders from Goody Film BKK Co., Ltd., using to expand the customer base and enter into the international market.	It is a normal connected business transaction which also supports business of Matching Group.
		(B) Other revenues	2.16	Revenues from office administration service and consultancy service to facilitate general administration; with reasonable prices for such services	
Fatman and Little Boy Co., Ltd.	Subsidiary (The Company holds 100%)	(A) Account payables	7.00	To support liquidity within Matching Group, which is more convenient and faster than outside borrowing, with the interest rate of 6%	It is a reasonable transaction that supports business of Matching Group.
		(B) Interest Expenses	0.42		
		(C) Other revenues	0.30	Revenues from providing office service to facilitates the administration, with reasonable service rate	It is a reasonable transaction.
Mr.Somchai Cheewasutthanon	Chief Executive Officer	(A) Office building rental fee	1.02	Rent out a building located at 305/5 Soi Sukhothai 6, Sukhothai Road, Dusit District as the Company's office with a rental rate of Baht 85,000.00 per month	It is a transaction that supports the Company's business operations with proper rental agreement and rental rates.
Mr. Somboon Cheewasutthanon	Senior Executive Vice President for Operating Group	(A) Office building rental fee	0.05	Rent out a building located at 293/4 Soi Sukhothai 6, Sukhothai Road, Dusit District as the Company's office with rental rate of Baht 4,000 per month	It is a transaction that supports the Company's business operations with proper rental agreement and rental rate.

Connected Person/ Entity	Relationship	Type of Transaction	Transaction Value (Baht Million)	Necessity/Remark	Audit Committee's Opinion
Mrs.Siripen Sasinmanop	Director and Executive committee	(A) Office building rental fee	0.66	Rent out a building located at 173/13-14 Soi Phaholyothin 44 as Gear Head Co., Ltd.'s office with rental rate of Baht 55,000 per month.	It is a reasonable transaction with a proper rental rate, compared to rental rates for building in the nearby areas
		(B) Land rental fee	0.38	Rent out a land title deed no. 39485 and 39488 as Gear Head Co., Ltd.'s office with rental rate of Baht 31,578.95 per month.	
Bangkok Broadcasting & Television Company Limited	Major Shareholder of BBTV Production Co., Ltd, the Company's major shareholder	(A) Station rental fee	4.26	The subsidiary rented station airtime for the broadcast of the program "Kob Dek Sang Ban", on Channel 7 and received technical services for the production of the programs "Kob Dek Sang Ban" and "Plod Nee"; the rental fees and service fee are based on the length of broadcasting time. This was done in accordance with a normal business practice, the rates are the same as charged to outside customers.	It is the connected transaction based on normal business practice.
		(B) Technical service fee	0.68		
BBTV Asset Management Company Limited	A shareholder of BBTV Production Co., Ltd, the Company's major shareholder	(A) Station rental fee	17.48	The subsidiary rented station airtime for the broadcast of the program "Plod Nee"; the rental fees and service fee are based on the length of broadcasting time. This was done in accordance with normal business practices, the rates are the same as charged to outside customers.	It is the connected transaction based on normal business practice





### 1. **Necessity and Reasonableness of the Connected Transactions**

The Audit Committee expressed their opinions that the rental transactions between directors and related persons and the Company and its subsidiaries were beneficial and reasonable to the Company and its subsidiaries. As for the inter-company loans within Matching Group, these transactions were done to support liquidity of the business. The trade transactions between the Company and its subsidiaries were considered normal business transactions and beneficial to the Company. Therefore, the Board of Directors opined that the connected transactions were reasonable and favorably supported companies within Matching Group.

### 2. **Measure or Procedures to Approve the Connected Transactions**

The connected transactions were done based on the reasons and necessities where the benefit of the company was taken into account. The values of transactions arising from the transactions were fair and in compliance with a general trading agreement and the regulations of the Stock Exchange of Thailand or the Securities and Exchange Commission of Thailand. In case there was a connected transaction between the Company or its subsidiaries and persons who have or may have a potential conflict of interest, the Audit Committee was responsible for providing the opinions on necessity and appropriateness of such transactions. If the Audit Committee has no expertise in considering the potential connected transaction that may arise, the Company will seek for opinion from independent expertise or the Company's auditor. Such independent opinion will be used as part of the decision making process of the Board of Directors and/or shareholders, whichever the case may be.

After the Company completed connected transactions, it shall disclose the details of those transactions as the regulation stated by the Stock Exchange of Thailand. The Audit Committee shall review such information before the disclosure.

### 3. **Future Policy or Trend of Connected Transactions**

The policy on the connected transactions between the Company and its subsidiaries will be carried out as normal business transactions. A number of transactions including office space rentals and borrowings among companies within Matching Group were expected to be continued going forward on an arm-length basis as long as they provide benefits to the Company i.e. support the business as well as the liquidity. However, there was no policy on borrowings to connected person. The Audit Committee or the Company's auditor or independent expert will examine and provide their opinion on the appropriateness of pricing, interest rate and the reasonableness of the transactions. For any potential connected transactions, the Board of Directors have to comply with the rules and regulations imposed the Securities and Exchange Act and the Stock Exchange of Thailand, including guidelines on information disclosure regarding the connected transactions and the acquisition or disposition of substantial assets of the Company or its subsidiaries and the accounting standards of Accountants Association and Thailand's Certified Accountants Association.



# Summary of Financial Statement

Summary of the Balance Sheet of Matching Maximize Solution Public Company limited, Subsidiaries and Joint Venture

(Unit: Thousand Baht)

Item	The Company Only			Consolidated		
	2010	2009	2008	2010	2009	2008
Cash and cash equivalents	75,607	9,044	11,171	145,324	40,681	30,521
Trade accounts receivable-subsiidiaries-net	19,125	9,489	7,569	-	-	-
Trade accounts and notes receivables - net	46,956	78,762	82,859	188,636	192,640	158,274
Inventories and work in production-net	1,004	-	-	5,673	4,607	6,612
<b>Total current assets</b>	<b>237,006</b>	<b>203,528</b>	<b>203,916</b>	<b>374,336</b>	<b>274,668</b>	<b>233,926</b>
Investment in subsidiaries -net	165,974	147,600	147,600	-	-	-
Assets for rent-net	-	-	-	131,764	143,408	154,213
Building and equipment -net	8,160	12,807	15,710	13,130	19,231	18,880
Intangible assets-net	766	1,157	1,725	2,246	2,576	2,904
Leasehold right-net	76,400	81,041	87,450	87,902	91,795	104,077
Land not used in operation-net	-	-	-	10,250	10,249	10,250
<b>Total other non-current assets</b>	<b>255,876</b>	<b>247,455</b>	<b>261,951</b>	<b>254,213</b>	<b>286,131</b>	<b>314,128</b>
<b>Total assets</b>	<b>492,882</b>	<b>450,983</b>	<b>465,867</b>	<b>628,549</b>	<b>560,799</b>	<b>548,054</b>
Overdraft and short-term loans due to financial institutions	395	11,307	31,671	921	13,507	35,148
Trade accounts payable-subsiidiaries	9,085	2,247	5,867	-	-	-
Trade accounts and notes payable	32,605	41,395	19,323	72,345	73,648	35,857
<b>Total current liabilities</b>	<b>64,832</b>	<b>86,305</b>	<b>83,272</b>	<b>151,162</b>	<b>160,813</b>	<b>120,362</b>
Long-term loans from financial institutions -net	16,444	24,052	-	26,849	42,918	20,231
Liabilities under financial lease contracts-net	1,447	2,112	1,332	1,447	2,112	1,332
<b>Total non-current liabilities</b>	<b>17,891</b>	<b>26,164</b>	<b>1,332</b>	<b>28,523</b>	<b>45,257</b>	<b>21,790</b>
<b>Total liabilities</b>	<b>82,723</b>	<b>112,469</b>	<b>84,604</b>	<b>179,685</b>	<b>206,070</b>	<b>142,152</b>
Issued and paid-up share capital	259,144	211,084	208,270	259,144	211,084	208,270
Warrants	-	-	43,886	-	-	43,886
Premium on share capital	97,630	79,561	79,561	97,630	79,561	79,561
Premium on share capital from expired warrants	43,886	43,886	-	43,886	43,886	-
Retained profit(loss)						
- Appropriated - legal reserves	2,477	2,477	-	2,477	2,477	-
- Unappropriate	7,022	1,506	49,546	43,739	15,663	69,078
<b>Total shareholders' equity of the parent</b>	<b>410,159</b>	<b>338,514</b>	<b>381,263</b>	<b>446,876</b>	<b>352,671</b>	<b>400,795</b>
Minority interest in subsidiary	-	-	-	1,988	2,058	5,107
<b>Total shareholders' equity</b>	<b>410,159</b>	<b>338,514</b>	<b>381,263</b>	<b>448,864</b>	<b>354,729</b>	<b>405,902</b>
<b>Total liabilities and shareholders' equity</b>	<b>492,882</b>	<b>450,983</b>	<b>465,867</b>	<b>628,549</b>	<b>560,799</b>	<b>548,054</b>

## Statement of income of Matching Maximize Solution Public Company Limited, Subsidiaries and Joints Venture

(Unit : Thousand Baht)

Item	The Company Only			Consolidated		
	2010	2009	2008	2010	2009	2008
Service revenues	127,409	232,431	301,322	601,857	584,811	655,047
Sales revenues	-	-	-	56,694	48,958	34,784
<b>Total revenue</b>	<b>147,749</b>	<b>258,202</b>	<b>346,207</b>	<b>664,152</b>	<b>637,061</b>	<b>696,532</b>
Costs of services and sales	108,061	204,284	248,200	438,298	469,630	480,002
Selling and administrative expenses	49,767	66,483	59,160	155,824	163,355	150,448
Directors' remuneration	16,417	19,462	21,305	16,417	19,462	21,306
Doubtful debt in case of loans and accrued interest income due from subsidiaries (reversal)	(8,325)	(19,229)	(25,360)	-	-	-
Doubtful debts (reversal)	(7,867)	174	(111)	6,746	1,601	990
(Gain) loss on impairment of investment in subsidiaries (reversal)	(18,373)	7,848	(10,164)	-	-	-
Loss from disposal of assets	-	961	115	14	961	649
<b>Total expenses</b>	<b>139,680</b>	<b>279,983</b>	<b>293,145</b>	<b>617,299</b>	<b>655,009</b>	<b>653,395</b>
Profit (loss) before interest expenses and corporate income tax	8,069	(21,781)	53,062	46,853	(17,948)	43,137
Interest expenses	(2,553)	(3,095)	(3,516)	(3,984)	(5,387)	(6,929)
Corporate income tax	-	-	-	(14,863)	(5,958)	(3,836)
<b>Net profit (loss)</b>	<b>5,516</b>	<b>(24,876)</b>	<b>49,546</b>	<b>28,006</b>	<b>(29,293)</b>	<b>32,372</b>
Net profit (loss) attributable to :						
Share holders of parent	5,516	(24,876)	49,546	28,076	(30,251)	30,195
Minority interest in subsidiaries	-	-	-	70	958	2,177
	5,516	(24,876)	49,546	28,076	(29,293)	32,372

## Key Financial Ratios

Key financial ratios of Matching Solution Maximize Public Company Limited, Subsidiaries and Joint Venture

Item	Unit	The Company Only			Consolidated		
		2010	2009	2008	2010	2009	2008
Liquidity ratio :-							
Current ratio	Time	3.66	2.36	2.45	2.48	1.71	1.94
Quick ratio	Time	2.23	1.14	1.22	2.24	1.47	1.59
Cash flow liquidity ratio	Time	(0.01)	(0.15)	(0.14)	0.72	0.34	0.59
Account receivable turnover	Time	1.53	2.45	3.48	3.19	3.35	4.28
Receivables days	Day	236	147	104	113	108	84
Account payable turnover	Time	2.53	5.94	11.26	6.00	8.58	15.53
Payable days	Day	142	61	32	60	42	23
Cash Cycle	Day	94	86	72	53	66	61

Item	Unit	The Company Only			Consolidated		
		2010	2009	2008	2010	2009	2008
Profitability ratio :-							
Gross profit margin	%	15.18	12.11	17.63	33.45	25.49	30.42
Operating profit margin	%	(36.76)	(24.87)	(9.07)	7.29	(2.95)	5.52
Cash and earning capability ratio	%	1.40	22.70	52.17	233.71	(256.77)	236.57
Net profit margin	%	3.73	(9.63)	14.31	4.22	(4.60)	4.65
Return on equity	%	1.47	(6.91)	13.91	6.97	(7.70)	8.31
Efficiency Ratios :-							
Return on assets	%	1.17	(5.43)	10.70	4.71	(5.28)	5.66
Return on fixed asset	%	19.38	(12.05)	58.70	30.49	7.03	28.41
Assets turnover ratio	Time	0.31	0.56	0.75	1.12	1.15	1.22
Financial Policy Ratio :-							
Debt to equity ratio	Time	0.20	0.33	0.22	0.40	0.58	0.35
Interest coverage ratio	Time	2.58	(1.78)	(0.83)	35.29	15.05	17.18
Debt service coverage (Cash Basis)	Time	(0.02)	(0.28)	(0.30)	2.04	0.60	1.32
Dividend payment ratio	%	0	41.75	0	0	76.28	0

# Management Discussion and Analysis

The analysis of financial status and operating results of Matching Group can be divided into 2 parts. The first part is for the Company's performance which is reflected in the financial statements of the Company only and the latter part is for the performance of the Matching Group which is reflected in the consolidated financial statements. The details are as follows:

## 1. Operating Results of the Company (Financial Statements of the Company Only)

Company provides the branding solution services that include providing consultancy services, setting brand strategies, identifying communication strategies, designing and producing commercials and providing public relation and sales promotion consultancy. Some of such services were offered by the Company's subsidiaries with expertise in different areas of business.

In 2010, the overall advertising industry was negatively affected by the prolonged political uncertainty that started in early 2Q10. Such political uncertainties caused the economic recovery to slow down. For this reason, the industry's market values continued to show a contraction during the first half of the year. However, the situation began to improve in the latter half of the year, evidenced by the advertising spending figures through various channels that increased by 11.83 percent year-on-year to Baht 101,032 million.

The advertising spending in all types of media, except radio and outdoor media, showed strong growth. In particular, in-store media, transit media and cinemas reported the growth in advertising spending at 36.75 percent, 27.78 percent and 23.27 percent, respectively, as all these types of media required lower cost while better reaching target groups. Meanwhile, the advertising spending via the TV channels expanded by 14.79 percent owing mainly to the rising demand for advertising and the hikes in advertising rates.

Over the past 3 years, the Company's revenue earned by advertising commercial production business stood at Baht 300.00 million, Baht 230.85 million and Baht 125.69 million for 2008, 2009 and 2010, respectively. For the year 2010, the revenue earned by this business amounted to Baht 125.69 million, for a decline of Baht 105.16 million or a decline of 45.55 percent on a year-on-year basis. Details of the breakdown of revenues from TV commercial production are as follows:

## Revenues from TV Commercial Production

(Unit: Million)

Revenues from TV commercial production	2008	2009	2010
From local customers	229.80	202.69	111.79
Growth rate	1.59%	-11.80%	-44.85%
From foreign customers	70.20	28.16	13.90
Growth rate	-2.92%	-59.89%	-50.64%
Total Revenue	300.00	230.85	125.69
Growth rate	0.50%	-23.05%	-45.55%

## Cost of service

In 2009, the Company booked the cost of service amounting to Baht 204.28 million, which was equivalent to 87.89 percent of the Company's total revenues from TV commercial production and equipment rental services.

For 2010, the Company's cost of service amounted to Baht 108.06 million that accounted for 84.82 percent of production revenue. The amount declined by Baht 96.22 million or 47.10 percent from the amount reported for the same period of last year due to the reduction in projects and revenue due to the political uncertainty and domestic economic slowdown.

## Selling and Administrative Expenses

Selling and administrative expenses in 2010 and 2009 amounted to Baht 66.18 million and Baht 85.94 million, respectively. In 2010, the selling and administrative expenses decreased by Baht 19.76 million or 22.99 percent, when compared to the same period of last year. The decrease was made possible by the effective cost control in 2010 and the restructuring of human resources management and expenses amounting to Baht 12.76 million arisen from the Company's early retirement program in 2009.

As most of subsidiaries reported net profit, the Company then reversed the impairment cost and transferred back the doubtful debts and loans and accrued interest due from subsidiaries for the total amount of Baht 34.57 million and Baht 11.21 million in 2010 and 2009, respectively.

## Net profit

Due to the aforementioned strong performances, the Company reported a net profit of Baht 5.52 million for 2010 for a gain of Baht 30.53 million or 122.17 percent on a year-on-year basis.

## Financial Status

### Assets

As of December 31, 2010, the Company's assets totaled Baht 492.88 million for a gain of Baht 41.90 million or 9.29 percent when compared to the same period of last year. The details are as follows.

- **Cash and cash equivalent**

As of end 2010 the Company's cash and cash equivalent amounted to Baht 75.61 million for a gain of Baht 66.56 million or 735.96 percent when compared to the same period of last year owing to the proceeds of Baht 66.13 million from capital increases.

- **Trade accounts receivable**

As of December 31, 2010 the Company had trade accounts and notes receivable-net amounting to Baht 66.08 million for a decline of Baht 22.17 million or 25.12 percent from that of end-2009. The Company had account receivable turnover of 1.53 times. Some of the Company's customers were accounts receivable with the undue amount of Baht 35.43 million.

- **Investments in subsidiaries**

As of end-2010 the Company's investments in subsidiaries amounted to Baht 165.97 million, for an increase of Baht 18.37 million or 12.45 percent, when compared to the same period of last year. The increase was made possible by the expansion of the earnings performance at the Company's subsidiaries that in turn allowed the company to adjust the impairment of investment (reversal) at 2 subsidiaries.



## Liquidity

In 2010, the Company's net cash flow rose by Baht 66.56 million and beginning cash amounted to Baht 9.04 million and ending cash stood at Baht 75.61 million. Note that the Company booked net cash flow amounting to Baht 66.13 million from capital increases that in turn boosted the company's liquidity to be stronger than the liquidity seen in 2009.

In 2010 and 2009 the Company's current ratios stood at 3.66 time and 2.36 time, respectively and the quick ratios stood at 2.23 times and 1.14 times, respectively.

## Sources of funds

As of the end-2010, the Company had current liabilities amounting to Baht 64.83 million, decreasing by Baht 21.47 million or 24.88 percent on a year-on-year basis. Meanwhile, the Company's total liabilities amounted to Baht 82.72 million, for a decline of Baht 29.75 million or a decline of 26.45 percent on a year-on-year basis. This decrease was due was attributable to the repayments of both short-term and long-term loans from financial and the reduction in long-term loans taken from financial institutes. As a result, the Company's debt to equity ratio in 2010 lowered to 0.20 time from 0.33 times seen in 2010.

As of end-2010 the shareholders' equity amounted to Baht 410.16 million for a gain of Baht 71.65 million or 21.16 percent on a year-on-year basis. The increase was owing to the following.

- The paid-up capital as of end-2010 rose by Baht 48.06 million or 22.77 percent to Baht 259.14 million owing to the exercising of the right to purchase MATCH -W2 warrants amounting to Baht 63.24 million and ESOP II amounting to Baht 2.89 million. Meanwhile, the Company's premium on share capital amounted to Baht 97.63 million for an increase Baht 18.07 million or 22.71 percent on a year-on-year basis.
- The unappropriated retained earnings as of end-2010 amounted to Baht 7.02 million for a gain of Baht 5.52 million or 366.36 percent on a year-on-year basis.

## 2. Operating Results of Matching Group (Consolidated Financial Statement)

In 2010, the Company operated 5 business sectors: 1) TV commercial production business, 2) equipment rental and service business, 3) activity and event organizing business, 4) TV program production business, and 5) printing business. The Company reported a total revenue of Baht 664.15 million as the following details:

Type of businesses	2009		2010		difference	
	million	%	Million	%	million	%
TV commercial production business	270.64	42.48	259.25	39.04	(11.39)	(4.21)
TV program production business	116.01	18.21	125.76	18.94	9.75	8.41
Activity and event organizing business	55.91	8.77	33.76	5.08	(22.15)	(39.61)
Equipment rental and service	141.87	22.27	183.08	27.57	41.21	29.05
Revenue from sale of products	6.73	1.06	7.54	1.13	0.80	11.90
Revenues from sale of magazines and advertising media in printing matters	42.23	6.63	49.16	7.40	6.94	16.43
Revenue from shooting photos and producing media	0.38	0.06	-	-	(0.38)	(100.00)
Other revenue	3.29	0.52	5.60	0.84	2.31	70.12
<b>Total</b>	<b>637.06</b>	<b>100.00</b>	<b>664.15</b>	<b>100.00</b>	<b>27.09</b>	<b>4.25</b>

## TV Commercial Production Business

Matching Group posted revenues from TV commercial production business for 2010 at a total of Baht 259.25 million, for a decline of Baht 11.39 million or 4.21 percent on a year-on-year basis. The decline was owing mainly to the economic slowdown both in domestic and international markets.

## TV program production business

Matching Group saw the revenue from its TV program production business increase by Baht 9.75 million or 8.41 percent year-on-year to Baht 125.76 million. The increase was made possible by the improvement in revenue management. Note that In 2010 Matching Group produced 3 TV programs, namely 1) Plod Nee, 2) Kob Dek Sang Ban, and 3) Plod Nee on Public Holidays.

## Activity and event organizing business

Matching Group reported revenue earned by event organizing business for a total of Baht 33.76 million, for a decrease of Baht 22.14 million or a decrease of 39.61 percent when compared to the same period of last year. The decrease can be blamed on the various risks concerning national securities, and economy, domestic politics. All of these factors negatively affected the customers' profitability and they, thus, decided to put off their decisions to organize events

## Equipment rental and service business

In year 2010, the Group posted revenues generated by equipment rental and service business for a total amount of Baht 183.08 million, increasing by Baht 41.21 million or 29.04 percent year-on-year. The increase was brought on by the easing concerns of foreign customers on the security as well as political stability in Thailand that prompted them to come to shoot their films in Thailand in 2-3Q10.

## Printing business

In 2010, the revenue earned by the Company's printing business increased by Baht 6.97 million or an increase of 16.43 percent year-on-year to Baht 49.16 million. Note that the Company's teenager magazine "CHEEZE" has become more popular as well accepted by sponsors. This increasing popularity lowered the percentage of returning the magazines and that in turn resulted in higher publishing volume.

## Photo shooting and outdoor media production business

The Company ceased the operation of this business.

## Cost of sales and service

Cost of sales and service in 2010 amounted to Baht 438.30 million for a decline of Baht 31.33 million or equivalent to 6.67 percent year-on-year. The lowering of the Company's cost of sales and services was made possible by the effective cost management. Hence, the Company's gross profit margin widened by 7.69 percent to 33.45 percent vs. 25.90 percent reported for 2009.

## Selling and Administrative Expenses

The selling and administration expenses amounted to Baht 179 million in 2010 for a decline of Baht 6.38 million or 3.4 percent on a year-on-year basis, which was owing to the better cost control.

## Net profit

In 2010 Matching Group posted a net profit of Baht 28.01 million, improving by Baht 57.30 million or 195.60 percent from a net loss of 29.29 million reported for the prior year. Hence, the net profit margin for 2010 and 2009 stood at 4.22 percent and (4.60) percent, respectively, and the Company's return on equity (ROE) stood for 2010 and 2009 stood at 6.97 percent and (7.70) percent, respectively.

## Financial Status

### Assets

As of December 31, 2010, Matching Group had total assets of Baht 628.55 million, increasing by Baht 67.75 million or 12.08 percent year-on-year when compared to the same period of last year. Major changes in total assets are as follows:

- **Cash and cash equivalent**

As of the end-2010 cash and cash equivalent stood at Baht 145.32 million, increasing by Baht 104.64 million when compared to the same period of last year.

- **Trade accounts and notes receivable - net**

As of the end-2010, Matching Group had trade accounts and notes receivable-net of Baht 188.64 million, decreasing by Baht 4.00 million from the amount reported for the same period of last year. The Company carefully examined the quality of each debtor by taking into account the actual economic values. Thus, in 2010 the Company raised reserves for doubtful debts by Baht 2.37 million from the amount set aside for 2009 and the Company also set aside reserves for returned goods of Baht 0.77 million. Note that the Company's debt collection team still continued to collect debts, based on the collection procedures.

- **Inventories and work in productions- net**

As of the end of 2010, the Company's inventory and work in production - net totaled Baht 5.67 million for a rise of Baht 1.07 million from the amount reported for the previous year. Most inventories and work in production-net were associated with costs for equipment rental for film productions and for TV programs production.

## Liquidity

In 2010, the Company's operation cash flow amounted to Baht 112.21 million and its net cash flow used for investment amounted to Baht 27.20 million spent to acquire some assets. In addition, its net cash flow used for fund raising activities totaled Baht 19.63 million that came from the capital increases amounting to Baht 66.13 million and the repayment of long-term and short-term loans for the amount of Baht 41.63 million. Note that the Company had the ending cash of Baht 145.32 million

In 2010 and 2009 the Company's liquidity ratios stood at 2.48 times and 1.71 times, respectively. In the same years, the quick ratios stood at 2.24 times and 1.47 times, respectively and cash flow liquidity ratios for both years were 0.72 times and 0.34 times, respectively. Finally, the cash cycle stood at 53 days and 66 days, respectively.

## Source of Funds

As of the end of 2010 and 2009 the Company's debt to equity ratios stood at 0.40 and 0.58 times, respectively. In 2010, the Company's liabilities totaled Baht 179.68 million, decreasing by Baht 26.39 million or 12.81 percent from the amount the Company reported for the same period of last year.

The liabilities for 2010 comprised trade accounts and note payables of Baht 72.34 million, long-term liabilities due within one year of Baht 16.74 million, accrued expenses of Baht 32.10 million, other current liabilities of Baht 29.06 million and long-term loans of Baht 26.85 million.

As of the end 2010 and 2009 the Company's shareholders' equity amounted to Baht 448.86 million and Baht 354.73 million, respectively. The shareholders' equity of Baht 448.86 for 2010 included a paid up capital of Baht 259.14 million, premium on share capital of Baht 97.63 million, premium on share capital from expired warrants of Baht 43.89 million, legal reserves of Baht 2.48 million and unappropriated retained earnings of Baht 43.74 million, and the minority interest of Baht 1.99 million.

# AUDITOR'S REPORT

To The Shareholders and Board of Directors of  
MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED  
(FORMERLY : MATCHING STUDIO PUBLIC COMPANY LIMITED)

I have audited the consolidated balance sheets of MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED, its subsidiaries and its joint venture as at December 31, 2010 and 2009, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the years then ended and the balance sheets of MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED as at December 31, 2010 and 2009, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED, its subsidiaries and its joint venture as at December 31, 2010 and 2009, and the consolidated results of their operations, the consolidated changes in their shareholders' equity and their consolidated cash flows for the years then ended and the financial position of MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED as at December 31, 2010 and 2009, and the results of its operations, its changes in shareholders' equity and its cash flows for the years then ended, in accordance with generally accepted accounting principles.

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(Miss Chantra Wongsri-Udomporn)

Certified Public Accountant

Registration No. 4996

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
February 25, 2011  
2011/133/0194



MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE  
(FORMERLY : MATCHING STUDIO PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE)

## BALANCE SHEETS

(Unit : Baht)

	Note	Consolidated		Separate	
		Balance Sheets		Balance Sheets	
		As at December 31, 2010	As at December 31, 2009	As at December 31, 2010	As at December 31, 2009
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	7	145,323,787.87	40,680,750.44	75,607,111.80	9,044,357.50
Saving account using for guarantee	8	3,124,896.00	1,249,500.00	3,124,896.00	1,249,500.00
Current investment	9	2,046,277.38	2,029,380.20	-	-
Trade accounts receivable-subsiaries - net	6.1	-	-	19,125,377.95	9,489,093.91
Trade accounts and notes receivable - net	10	188,636,068.37	192,640,045.75	46,955,713.71	78,762,364.24
Short-term loans and accrued interest income					
to subsidiaries-net	6.1, 11	-	-	84,504,829.69	95,280,096.71
Inventories and work in productions-net	12	5,672,821.65	4,606,808.56	1,003,650.00	-
Revenue department receivable		564,308.46	5,089,721.09	-	-
Loans to employees	13	325,996.03	199,041.30	123,260.36	90,740.97
Other current assets-net	14	28,642,309.72	28,172,569.64	6,561,437.12	9,611,463.35
Total current assets		374,336,465.48	274,667,816.98	237,006,276.63	203,527,616.68
Non-current assets					
Investments in subsidiaries - net	15	-	-	165,973,494.17	147,600,000.00
Investments in joint venture - net	15	-	-	-	73,838.01
Fixed deposit using for guarantee	16	870,057.07	867,851.57	398,187.07	395,981.57
Loan to other company-net	17	-	-	-	-
Assets for leases-net	18	131,764,374.28	143,407,748.41	-	-
Plant and equipment-net	19	13,130,043.01	19,230,942.04	8,160,494.45	12,807,226.89
Intangible assets-net	20	2,245,978.14	2,576,153.79	765,704.44	1,156,998.56
Copyright fee from film production-net	21	-	-	-	-
Leasehold right-net	22	87,901,461.45	91,795,762.52	76,400,025.03	81,041,030.42
Land not used in operation-net	23	10,249,563.50	10,249,563.50	-	-
Withholding tax deducted at source-net		5,927,937.08	15,920,908.47	3,538,736.26	3,695,113.63
Other non-current assets		2,122,891.54	2,082,665.72	638,677.02	685,451.20
Total non-current assets		254,212,306.07	286,131,596.02	255,875,318.44	247,455,640.28
Total assets		628,548,771.55	560,799,413.00	492,881,595.07	450,983,256.96

Notes to financial statements form an integral part of these statements.

MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE  
(FORMERLY : MATCHING STUDIO PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE)

## BALANCE SHEETS (CONT.)

(Unit : Baht)

		Consolidated		Separate	
		Balance Sheets		Balance Sheets	
	Note	As at December 31, 2010	As at December 31, 2009	As at December 31, 2010	As at December 31, 2009
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>					
Current liabilities					
Overdrafts and short-term loans from					
financial institutions	24	921,093.35	13,506,792.32	395,045.64	11,306,562.39
Trade accounts payable-subsiaries	6.1	-	-	9,084,686.77	2,247,557.16
Trade accounts and notes payable		72,344,801.58	73,648,369.72	32,605,322.88	41,394,584.60
Current portion of long-term liabilities	25	16,738,499.16	29,870,263.50	8,272,756.09	8,434,028.00
Short-term loans from subsidiaries	6.1, 26	-	-	7,000,000.00	8,100,000.00
Accrued expenses		32,097,982.41	23,214,994.96	4,812,702.99	10,179,574.88
Other current liabilities		29,059,625.34	20,573,041.88	2,660,877.59	4,643,158.77
Total current liabilities		151,162,001.84	160,813,462.38	64,831,391.96	86,305,465.80
Non-current liabilities					
Long-term loans from financial institutions-net	27	26,849,000.00	42,918,075.56	16,444,000.00	24,052,000.00
Liabilities under financial lease contracts-net	28	1,447,171.23	2,111,927.37	1,447,171.23	2,111,927.37
Other non-current liabilities		226,542.47	226,542.47	-	-
Total non-current liabilities		28,522,713.70	45,256,545.40	17,891,171.23	26,163,927.37
Total liabilities		179,684,715.54	206,070,007.78	82,722,563.19	112,469,393.17

Notes to financial statements form an intergral part of these statements.

MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE  
(FORMERLY : MATCHING STUDIO PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE)

## BALANCE SHEETS (CONT.)

(Unit : Baht)

	Note	Consolidated		Separate	
		Balance Sheets		Balance Sheets	
		As at December 31, 2010	As at December 31, 2009	As at December 31, 2010	As at December 31, 2009
<b>Shareholders' equity</b>					
Share capital	29.1				
Authorized share capital					
324,000,000 ordinary shares					
of Baht 1.00 each		324,000,000.00	324,000,000.00	324,000,000.00	324,000,000.00
Issued and paid-up share capital					
259,143,807 ordinary shares					
of Baht 1.00 each		259,143,807.00		259,143,807.00	
211,083,807 ordinary shares					
of Baht 1.00 each			211,083,807.00		211,083,807.00
Addition paid-in capital					
Premium on share capital		97,629,903.04	79,560,903.04	97,629,903.04	79,560,903.04
Premium on ordinary shares from					
expired warrants		43,886,200.00	43,886,200.00	43,886,200.00	43,886,200.00
Retained earnings					
Appropriated - legal reserve	30,31	2,477,276.00	2,477,276.00	2,477,276.00	2,477,276.00
Unappropriated		43,739,305.09	15,662,903.25	7,021,845.84	1,505,677.75
Total shareholders' equity of the parent		446,876,491.13	352,671,089.29	410,159,031.88	338,513,863.79
Minority interest in subsidiaries		1,987,564.88	2,058,315.93	-	-
Total shareholders' equity		448,864,056.01	354,729,405.22	410,159,031.88	338,513,863.79
Total liabilities and shareholders' equity		628,548,771.55	560,799,413.00	492,881,595.07	450,983,256.96

Notes to financial statements form an integral part of these statements.

MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE  
(FORMERLY : MATCHING STUDIO PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE)

## STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit : Baht)

	Note	Consolidated		Separate	
		Statements of income		Statements of income	
		As at December 2010	As at December 2009	As at December 2010	As at December 2009
Revenues from operation	6.2				
Revenues from advertising films production		259,250,119.47	270,635,754.42	125,688,107.72	230,845,533.42
Revenues from television programs		125,761,951.11	116,010,365.97	-	-
Revenues from show/events organizing		33,763,813.00	55,907,313.71	1,602,550.00	-
Revenues from and rental and service		183,080,653.55	141,874,351.85	117,870.50	1,585,133.92
Revenues from sales of magazines and advertising in publishing media		49,161,339.97	42,225,638.51	-	-
Revenues from sales of goods		7,533,037.75	6,732,015.10	-	-
Revenues from photograph and outdoor media production		-	382,819.37	-	-
Dividend income	15, 31	-	-	-	10,993,650.00
Other income		5,600,877.04	3,292,265.91	20,340,197.83	14,777,338.80
Total revenues		664,151,791.89	637,060,524.84	147,748,726.05	258,201,656.14
Expenses from operation	6.2				
Cost of services		400,430,701.10	436,122,909.51	108,061,900.42	204,284,232.67
Cost of sales		37,867,357.21	33,507,568.52	-	-
Selling expenses		28,575,035.96	24,816,282.64	6,141,645.49	2,654,043.27
Administrative expenses		127,249,091.25	138,538,980.60	43,625,574.10	63,828,402.64
Directors and executive remuneration	6.2	16,417,033.00	19,462,200.00	16,417,033.00	19,462,200.00
Doubtful debts (reversal)	10	6,746,412.41	1,600,907.09	(7,867,256.29)	174,156.04
Doubtful debt in case of loans and accrued interest income due from subsidiaries (reversal)	11	-	-	(8,325,357.16)	(19,228,729.56)
Loss on impairment of investment in subsidiaries (reversal)	15	-	-	(18,373,494.17)	7,847,533.45
Loss from disposal of fixed assets	19	13,759.72	960,515.76	-	960,515.76
Total expenses		617,299,390.65	655,009,364.12	139,680,045.39	279,982,354.27

Notes to financial statements form an integral part of these statements.

MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE  
(FORMERLY : MATCHING STUDIO PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE)

## STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit : Baht)

	Note	Consolidated		Separate	
		Statements of income		Statements of income	
		As at December 2010	As at December 2009	As at December 2010	As at December 2009
Profit (loss) before financial expenses and corporate income tax		46,852,401.24	(17,948,839.28)	8,068,680.66	(21,780,698.13)
Financial expenses	6.2	3,983,891.57	5,386,651.64	2,552,512.57	3,095,024.90
Profit (loss) before corporate income tax		42,868,509.67	(23,335,490.92)	5,516,168.09	(24,875,723.03)
Corporate income tax	33	14,862,858.88	5,957,694.85	-	-
Net profit (loss)		28,005,650.79	(29,293,185.77)	5,516,168.09	(24,875,723.03)
Net profit (loss) attributable to					
Share holders of parent		28,076,401.84	(30,251,025.39)	5,516,168.09	(24,875,723.03)
Minority interest in subsidiaries		(70,751.05)	957,839.62	-	-
		28,005,650.79	(29,293,185.77)	5,516,168.09	(24,875,723.03)
Basic earnings (loss) per share					
(unit : Baht per share)	34				
Net profit (loss) attributable to share holders of parent		0.13	(0.14)	0.02	(0.12)
Weighted average number of ordinary shares					
(unit : shares)		223,377,408	208,818,262	223,377,408	208,818,262
Diluted earnings (loss) per share					
(unit : Baht per share)					
Net profit attributable to share holders of parent		0.11	(0.14)	0.02	(0.12)
Weighted average number of ordinary shares					
(unit : shares)		253,129,990	211,233,628	253,129,990	211,233,628

Notes to financial statements form an integral part of these statements.



MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE  
(FORMERLY : MATCHING STUDIO PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE)

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit : Baht)

		Consolidated Statements of Changes in Shareholder's Equity								
		Shareholders of parent						Minority		
		Share capital issued and paid-up	Warrants	Addition paid-in capital		Retained earnings (deficit)		Total	interest in subsidiary	Total
				Premiums on	Premiums on	Appropriated-	Unappropriated			
				share capital	ordinary shares	Legal reserve				
	from expired warrants									
Balance as at January 1, 2009		208,270,057.00	43,886,200.00	79,560,903.04	-	-	69,078,040.34	400,795,200.38	5,106,826.31	405,902,026.69
Net loss for the year 2009		-	-	-	-	-	(30,251,025.39)	(30,251,025.39)	957,839.62	(29,293,185.77)
Total expenses for the year 2009		-	-	-	-	-	(30,251,025.39)	(30,251,025.39)	957,839.62	(29,293,185.77)
Legal reserve	31	-	-	-	-	2,477,276.00	(2,477,276.00)	-	-	-
Dividend payment	31	-	-	-	-	-	(20,686,835.70)	(20,686,835.70)	(4,006,350.00)	(24,693,185.70)
Paid up in share capital		2,813,750.00	-	-	-	-	-	2,813,750.00	-	2,813,750.00
Increase (decrease) in premium on ordinary shares from expired warrants		-	(43,886,200.00)	-	43,886,200.00	-	-	-	-	-
Balance as at December 31, 2009		211,083,807.00	-	79,560,903.04	43,886,200.00	2,477,276.00	15,662,903.25	352,671,089.29	2,058,315.93	354,729,405.22
Net profit for the year 2010		-	-	-	-	-	28,076,401.84	28,076,401.84	(70,751.05)	28,005,650.79
Total income for the year 2010		-	-	-	-	-	28,076,401.84	28,076,401.84	(70,751.05)	28,005,650.79
Paid up in share capital	29	48,060,000.00	-	18,069,000.00	-	-	-	66,129,000.00	-	66,129,000.00
Balance as at December 31, 2010		259,143,807.00	-	97,629,903.04	43,886,200.00	2,477,276.00	43,739,305.09	446,876,491.13	1,987,564.88	448,864,056.01

Notes to financial statements form an integral part of these statements.

MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE  
(FORMERLY : MATCHING STUDIO PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE)

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit : Baht)

		Separate Statements of Changes in Shareholder's Equity						
		Share capital issued and paid-up	Warrants	Addition paid-in capital		Retained earnings (deficit)		Total
				Premiums on share capital	Premiums on ordinary shares from expired warrants	Appropriated- Legal reserve	Unappropriated	
Note								
		208,270,057.00	43,886,200.00	79,560,903.04	-	-	49,545,512.48	381,262,672.52
		-	-	-	-	-	(24,875,723.03)	(24,875,723.03)
		-	-	-	-	-	(24,875,723.03)	(24,875,723.03)
Legal reserve	31	-	-	-	-	2,477,276.00	(2,477,276.00)	-
Dividend payment	31	-	-	-	-	-	(20,686,835.70)	(20,686,835.70)
Paid up in share capital		2,813,750.00	-	-	-	-	-	2,813,750.00
Increase (decrease) in premium on ordinary shares from expired warrants		-	(43,886,200.00)	-	43,886,200.00	-	-	-
Balance as at December 31, 2009		211,083,807.00	-	79,560,903.04	43,886,200.00	2,477,276.00	1,505,677.75	338,513,863.79
Net profit for the year 2010		-	-	-	-	-	5,516,168.09	5,516,168.09
Total income for the year 2010		-	-	-	-	-	5,516,168.09	5,516,168.09
Paid up in share capital	29	48,060,000.00	-	18,069,000.00	-	-	-	66,129,000.00
Balance as at December 31, 2010		259,143,807.00	-	97,629,903.04	43,886,200.00	2,477,276.00	7,021,845.84	410,159,031.88

Notes to financial statements form an integral part of these statements.

MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE  
(FORMERLY : MATCHING STUDIO PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE)

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit : Baht)

	Consolidated		Separate	
	Statements of cash flows		Statements of cash flows	
	2010	2009	2010	2009
<b>Cash flow from operating activities</b>				
Net profit (loss)	28,005,650.79	(29,293,185.77)	5,516,168.09	(24,875,723.03)
Reconciliation of net profit (loss) with cash receipts (payment) from operating				
Doubtful debt in case of loans and accrued interest due from subsidiaries (reversal)	-	-	(8,325,357.16)	(19,228,729.56)
Doubtful debts (reversal)	6,746,412.41	1,656,336.66	(7,867,256.29)	174,156.04
Estimate for returned goods (reversal)	147,982.25	(149,626.75)	-	-
Written-off withholding tax	2,591,317.20	1,930,373.95	1,478,045.58	1,444,396.78
Reserve from withholding tax (reversal)	(376,597.83)	(13,423.15)	(1,335,956.14)	54,133.70
Adjustment entries	-	4,849,713.93	-	-
Loss from impairment in investment in subsidiaries (reversal)	-	-	(18,373,494.17)	7,847,533.45
Unrealized (gain) loss from exchange rate	-	(1,603.08)	-	(11,856.71)
Depreciation and amortization	46,743,890.28	48,127,779.87	11,911,792.52	12,902,057.70
Amortized other expenses	333,500.00	333,500.02	333,500.00	333,500.02
(Gain) loss on sale of fixed assets	150,508.71	(1,777,432.91)	(105,901.91)	(536,217.82)
(Gain) Loss from disposal of fixed assets	13,759.72	961,375.57	-	960,515.76
Dividend income subsidiaries	-	-	-	(10,993,650.00)
Interest income	(228,032.79)	(303,855.65)	(9,347,351.31)	(9,208,219.00)
Interest expenses	3,983,891.57	5,006,621.64	2,552,512.57	2,715,024.90
Corporate income tax	14,862,858.88	5,957,694.85	-	-
Profit (loss) from operation before changes in operating assets and liabilities	102,975,141.19	37,284,269.18	(23,563,298.22)	(38,423,077.77)
Operating assets (increase) decrease				
Trade accounts receivable - subsidiaries	-	-	405,117.30	(2,094,605.25)
Trade accounts and notes receivable	(2,890,417.28)	(35,835,889.39)	29,632,505.48	4,108,147.72
Inventories and work in productions	(1,066,013.09)	2,005,107.70	(1,003,650.00)	-
(Increase) decrease in loans to employees	(126,954.73)	608,825.23	(32,519.39)	495,474.04
Other current assets	1,314,220.01	(1,893,679.08)	1,866,601.45	(958,968.37)
Other non-current assets	(40,225.82)	1,689,337.34	46,774.18	18,000.00

Notes to financial statements form an integral part of these statements.

MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED,  
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## STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit : Baht)

	Consolidated		Separate	
	Statements of cash flows		Statements of cash flows	
	2010	2009	2010	2009
Operating liabilities increase (decrease)				
Trade accounts payable-subidiaries	-	-	6,837,129.61	(3,619,464.73)
Trade accounts and notes payable	(1,303,568.14)	37,791,610.09	(8,789,261.72)	22,071,875.56
Accrued expenses	8,944,898.21	11,470,867.87	(5,341,660.18)	6,517,331.77
Other current liabilities	7,049,590.80	(1,947,135.21)	(1,982,281.18)	(2,135,245.33)
Cash flows received (paid) from operating activities	114,856,671.15	51,173,313.73	(1,924,542.67)	(14,020,532.36)
Cash received from interest income received	184,962.72	243,855.74	73,077.00	148,859.50
Cash received from refunded withholding tax	23,677,309.11	16,407,344.82	5,912,181.69	6,646,669.76
Cash paid for corporate income tax paid	(26,509,102.53)	(19,861,335.61)	(4,714,468.98)	(5,897,893.76)
Net cash flows provided by (used in)				
operating activities	112,209,840.45	47,963,178.68	(653,752.96)	(13,122,896.86)
<u>Cash flows from investing activities</u>				
Increase in saving account using for guarantee	(1,875,396.00)	(1,249,500.00)	(1,875,396.00)	(1,249,500.00)
(Increase) decrease in current investment	(16,897.18)	(23,188.68)	-	-
(Increase) decrease in fixed deposit using for guarantee	(2,205.50)	(4,964.17)	(2,205.50)	(4,964.17)
Cash received interest income from current investment	42,513.23	60,024.56	2,227.79	5,014.33
Cash received from loans subsidiaries	-	-	29,100,000.00	38,050,000.00
Cash paid for loans to subsidiaries	-	-	(19,000,000.00)	(34,500,000.00)
Cash received interest income from subsidiaries	-	-	18,272,670.70	21,039,379.49
Purchase of property, plant and equipment	(23,719,843.91)	(26,333,573.81)	(1,407,443.46)	(2,958,896.47)
Cash paid for leashold right	(2,933,709.60)	-	(1,163,709.60)	-
Sales of property, plant and equipment	1,306,833.28	3,498,493.66	110,794.40	1,578,728.98
Cash paid for additional investment from subsidiaries	-	-	73,838.01	(4,000,000.00)
Dividend income-subidiaries	-	-	-	10,993,650.00
Net cash flows provided by (used in)				
investing activities	(27,198,705.68)	(24,052,708.44)	24,110,776.34	28,953,412.16

Notes to financial statements form an integral part of these statements.

MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE  
(FORMERLY : MATCHING STUDIO PUBLIC COMPANY LIMITED,  
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## STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit : Baht)

	Consolidated		Separate	
	Statements of cash flows		Statements of cash flows	
	2010	2009	2010	2009
<b>Cash flows from financing activities</b>				
Decrease in overdrafts and short-term loans				
from financial institutions	(12,585,698.97)	(21,641,071.99)	(10,911,516.75)	(20,364,441.27)
Cash received from short-term loans from subsidiaries	-	-	5,000,000.00	-
Cash paid for short term loans from subsidiaries	-	-	(6,100,000.00)	(7,000,000.00)
Cash received from short-term loans from related company	-	4,230,525.00	-	-
Cash paid for short-term loans from related company	-	(4,230,525.00)	-	-
Cash received from long-term loans from financial institutions	-	63,000,000.00	-	38,000,000.00
Cash paid for long-term loans from financial institutions	(29,039,567.99)	(26,295,826.34)	(7,608,000.00)	(6,340,000.00)
Cash paid for liabilities under financial lease				
contracts payable	(826,028.05)	(1,765,257.66)	(826,028.05)	(1,765,257.66)
Cash paid for liabilities under hire-purchase				
contracts payable	-	(343,162.86)	-	(13,904.39)
Cash received from issued ordinary shares	66,129,000.00	2,813,750.00	66,129,000.00	2,813,750.00
Interest expenses paid	(4,045,802.33)	(4,825,730.15)	(2,577,724.28)	(2,600,853.74)
Cash paid for dividend	-	(24,693,185.70)	-	(20,686,835.70)
Net cash flows provided by (used in)				
financing activities	19,631,902.66	(13,750,484.70)	43,105,730.92	(17,957,542.76)
Cash and cash equivalents increase (decrease) - net	104,643,037.43	10,159,985.54	66,562,754.30	(2,127,027.46)
Cash and cash equivalents at the beginning of the year	40,680,750.44	30,520,764.90	9,044,357.50	11,171,384.96
Cash and cash equivalents at the ending of the year	145,323,787.87	40,680,750.44	75,607,111.80	9,044,357.50

Notes to financial statements form an integral part of these statements.



MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE  
(FORMERLY : MATCHING STUDIO PUBLIC COMPANY LIMITED,  
ITS SUBSIDIARIES AND ITS JOINT VENTURE)

# NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

## 1. GENERAL INFORMATION

MATCHING MAXIMIZE SOLUTION COMPANY LIMITED was registered on October 27, 1992 with registration number 13911/2535. The Company was converted to a public company limited on November 19, 2002 with registration number 0107545000365. Its registered office is at 305/10 Soi Sukhothai 6, Sukhothai Road, Dusit, Bangkok. The Company's main business is contract to produce advertisements.

Matching Studio Public Company Limited changed the Company's name to Matching Maximize Solution Public Company Limited on May 10, 2010.

## 2. BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1 The consolidated and the separate financial statements were prepared in accordance with the generally accepted accounting principle under the Accounting Act B.E. 2543 which implied the accounting standard determined by the Accounting Professions Act B.E. 2547, announced to be effective, and in accordance with the determination of the Office of the Securities and Exchange Commission on the subject of preparation and presentation of the financial reports.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

The financial statement has been prepared on a historical cost basis except where otherwise disclosure in the accounting policies.

2.2 Adoption of new accounting standards during the year

During the year 2010, the Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the revised 2009, new issued of accounting standards and financial reporting standards and the interpretation, totalling 32 standards, as follows.

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

TAS 1	(revised 2009)	Presentation of Financial Statements
TAS 2	(revised 2009)	Inventories
TAS 7	(revised 2009)	Statement of Cash Flows
TAS 8	(revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(revised 2009)	Events after the Reporting Period
TAS 11	(revised 2009)	Construction Contracts
TAS 12		Income Taxes

TAS 16	(revised 2009)	Property, Plant and Equipment
TAS 17	(revised 2009)	Leases
TAS 18	(revised 2009)	Revenue
TAS 19		Employee Benefits
TAS 20	(revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21	(revised 2009)	The Effects of Changes in Foreign Exchange Rates
TAS 23	(revised 2009)	Borrowing Costs
TAS 24	(revised 2009)	Related Party Disclosures
TAS 26		Accounting and Reporting by Retirement Benefit Plans
TAS 27	(revised 2009)	Consolidated and Separate Financial Statements
TAS 28	(revised 2009)	Investments in Associates
TAS 29		Financial Reporting in Hyperinflationary Economies
TAS 31	(revised 2009)	Interests in Joint Ventures
TAS 33	(revised 2009)	Earnings per Share
TAS 34	(revised 2009)	Interim Financial Reporting
TAS 36	(revised 2009)	Impairment of Assets
TAS 37	(revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	(revised 2009)	Intangible Asset
TAS 40	(revised 2009)	Investment Property
TFRS 2		Share-based Payment
TFRS 3	(revised 2009)	Business Combinations
TFRS 5	(revised 2009)	Non-current Assets Held for sale and Discontinued Operations
TFRS 6		Exploration for and Evaluation of Mineral Resources
TFRIC 15		Agreements for the Construction of Real Estate

These accounting standards and financial reporting standards are effective for the fiscal year beginning on or after January 1, 2011, except for TAS 12, TAS 20 and TAS 21, they are effective for the fiscal year beginning on or after January 1, 2013.

The management of the Company has assessed the effect of these accounting standards and financial reporting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied, except for TAS 12 Income Taxes, TAS 16 (revised 2009) Property, Plant and Equipment, TAS 19 Employee Benefits and TAS 40 (revised 2009) Investment Property. The management of the Company is in the process of reviewing the effect of such accounting standards to the financial statements for the year in which they are initially applied.

### 3. INVESTMENT PROMOTION PRIVILEGES

A subsidiary is granted certain rights and privileges as a promoted industry under the Promotion of Investment Act B.E. 2520 including exemption from customs duties and tax on imported machinery as approved by the Board of Investment of Thailand, which must be imported on January 5, 2010. Including the exemption obtained for paying corporate income tax of the net profit earned from the promoted activity, which the total must not exceed 100% of the investment excluding the land cost and working capital, for a period of five years from the first day the subsidiary earned revenues from the business activities as follows:

Certificate No.	Date	Privileges under section	Activity types	Commenced date of revenues generated
1604(2)/2548	July 5, 2005	25, 26, 28, 31, 34	Provide rental services for motion picture production equipments type 7.17, Thai motion picture production or providing services to motion picture production business or providing MULTIMEDIA services	October 25, 2005

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Company, its subsidiaries and its joint venture are as follows: -

#### 4.1 Recognition of revenues and expenses

##### 4.1.1 Revenues from of advertising films production are recognized as follows:-

Revenues from advertising films production are recognized on the percentage cost of completion which is based on the proportion of actual production cost over the total cost to be incurred for the whole production of advertising films estimated by the management.

Revenues from job revising and tape recording are recognized when completed.

##### 4.1.2 Revenues from television programs

Revenues from television programs are revenues originated from advertisement service and recognized when the advertisement is broadcasted and revenues from producing television program recognized when the program is broadcasted.

##### 4.1.3 Revenues from show events organizing are recognized as follows:-

Revenues from production of concerts are recognized when the shows are completed.

Revenues from sponsoring event are recognized according to the sponsor agreements.

Revenues from ticket selling for an event are recognized at the end of the event.

Revenue from entertainment activities organizing are recognized when service is rendered.

##### 4.1.4 Revenues from rental and service

Revenues from rental and rental related - services of equipment in a single lease time are recognized when service has been rendered. Rental and service revenues by paid - in package are recognized when service has been rendered.



4.1.5 Revenues from film production are recognized as follows: -

Revenues share with movie theaters are revenues from admission fees shared between the owners of the movie theaters and the subsidiary. These revenues are recognized on the screening days.

Revenues from selling the motion pictures' films are recognized at the value stated on the invoices of the motion pictures' films upon the delivery date.

Revenues from selling the copyrights of the motion pictures are recognized on the dates that the agreements allowed the use of the motion pictures.

Revenues from contract to produce motion pictures are recognized when the production is completed and delivered.

4.1.6 Revenues from sales of goods

Revenues from sales of goods are recognized when delivered to the buyer at the value stated on the invoice.

4.1.7 Revenues from sales of magazines and advertising in publishing media

Revenues from sales of magazines and advertising in publishing media are recognized when delivered published at the value after discount.

4.1.8 Revenues from barter service

Revenues from barter service are revenues from the exchange of dissimilar services. The revenue is measured using the fair value of service after adjusted for cash or cash equivalent transferred between other two parties.

4.1.9 Revenues from photographing and producing outdoor media

Revenues from photographing and producing outdoor media are recognized when the service is rendered on the accrual basis as stated in the media production agreements.

4.1.10 Revenues from leases of immovable properties and services

Revenues from leases of immovable properties and services are recognized on the accrual basis as stated in the lease and service agreements.

4.1.11 Interest income

Interest income is recognized on the accrual basis using the effective rate method.

4.1.12 Dividend income

Dividend income is recognized when right to receive dividends is established.

4.1.13 Other income and expenses are recognized on the accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits in savings and current accounts, not exceeding three-month fixed deposit and short-term investment with the maturity period of less than three months and not subject to restrictions.

4.3 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is made by assessing the uncollectability of each account receivable.



#### 4.4 Inventories

Inventories and work in productions consisted of :

##### 4.4.1 Television programs, movies and show programs

They are valued at cost whether in the process of production or completed production ready for television broadcasting or sale or show. The costs of such programs consist of expenses directly associated with program production which will be recognized as cost in the income statement whenever television programs are broadcasted, movies are sold or already recognized as income and show programs are fully completed.

##### 4.4.2 Magazines and pocket books

There are valued at cost by using the lower of the specific method or net realizable value.

##### 4.4.3 Other inventories and supplies

There are valued at cost by using the lower of average method or net realizable value.

Allowance for diminution in inventory value is set up for old, obsolete, slow-moving or deteriorate

#### 4.5 Provision for goods returns

Provision for goods returns is estimated with reference to actual goods returns occurring during the year and calculated at the rate of sales made during the year.

#### 4.6 Investments

##### 4.6.1 Current investments

Current investments are investment in fixed deposit account at bank and bill of exchange, maturity not more than 1 year, are stated at cost.

##### 4.6.2 Investments in subsidiaries and joint venture

Investments in subsidiaries and joint venture are recorded under the cost method and shown the transaction net by the accumulated allowance for impairment, which recorded the recognition of the change in the investment value in the income statement when the investment is disposed or the investment is impaired.

#### 4.7 Assets for lease

Assets for lease are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation is calculated by the straight-line method over the following useful lives as follows:

Production equipment	5, 10	years
Vehicles	10	years
Equipment and supply for film production	3	years

#### 4.8 Property, plant and equipment

Property is stated at cost less allowance for loss on impairment (if any).

Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).





Depreciation of plant and equipment is calculated by reference to their costs on a straight-line method over the following estimated useful lives as follows:

Machinery and equipment	5	years
Computer and equipment	3-5	years
Furniture and fixture	5	years
Vehicles	5	years

Depreciation is included in determining income.

No depreciation is provided for land, construction in progress and equipment under installation.

#### 4.9 Intangible assets

Intangible assets are stated at cost less accumulated amortization and allowance for loss on impairment of assets (if any). Amortization is calculated by reference to cost on method as follows:

Computer software are amortized on a straight-line method over the lease period.

Copyright fees for film production which have the terms mutually agreed upon 5-12 years are recognized as cost whenever films have been already produced or terminated.

#### 4.10 Leasehold right

Leasehold right is amortized as expense for the current period by straight line method over their estimated duration to be utilize as follow:-

Leasehold right of land and buildings	15	years
Utilization right of land and improvements	5-20	years
Utilization right of studio building	5-20	years
Utilization right of building improvement on leasehold	5-20	years

#### 4.11 Impairment of assets

The Company, its subsidiaries and its joint venture assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company, its subsidiaries and its joint venture make an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the income statement. (An asset's recoverable amount is the higher of fair value less costs to sell and value in use.)

#### 4.12 Operating lease

For operating lease, leasing of assets of which risks and ownership are still vested in the lessor is categorized as operating lease and fee paid under such lease is recorded as expense within the term of the lease.

#### 4.13 Financial lease

The Company and its subsidiaries recorded financial lease agreement as both an asset and a liability in the balance sheet at the same amount equivalent to fair value of leased asset as at the commencing date of the agreement or the present value of the minimum amount payable under the agreement whichever is the lower. The discount rate to be used in calculating such present value is the interest rate specified in the lease agreement. The directly related initial cost is included in the cost of the asset and the paid lease fee will be appropriated partly as financial expense and other to reduce the principle. The said financial expense will be apportioned to various periods throughout the term of agreement so that the interest rate compared the remaining amount of debt at each period is constant. Depreciation policy for lease assets conform to depreciable assets owned by the Company and its subsidiaries.

#### 4.14 Provisions

The Company and its subsidiaries set up the provision when there is a certain possibility of a legally incurred liability from the present or infer from a continuing result from the past incident. The said liability is expected to result in losing the economical beneficial resources to pay for the liability. The amount to be paid is reliable. If it is certain that the paid amount on the provision would be repaid back in full or partial amount, the Company and its subsidiaries would recognize the repayment of the expense as separate asset but not more than the related provision and shown the expense related to the provision in the income statement net from the recognized expense expected to be repaid.

#### 4.15 Foreign currencies

Items denominated in foreign currencies are recorded in Baht at prevailing rates of exchange when the transactions occur, and balances of assets and liabilities at the year end are converted to Baht at the prevailing rates of exchange on that date and profit or loss arising from such conversion is shown as income or expense in the related income statement.

#### 4.16 The related parties

The related parties and related companies with the Company meant the parties or the companies that have the controlling power to the Company, controlled by the Company, either directly or indirectly, or under the same control with the Company, including the holdings companies for the subsidiary and group companies. Furthermore, the related parties and related companies also meant the associated companies and the parties whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Company, important management, directors or the employees of the Company who have the power to plan and control the Company's operation.

#### 4.17 Corporate income tax

Corporate income tax are recognized as expenses when the Company, its subsidiaries and its joint venture have liability to pay.

#### 4.18 Earnings or loss per share

Earnings or loss per share is computed by dividing net profit or loss with the weighted average number of issued and paid-up shares during the year.

#### 4.19 Employee benefits

The Company and its subsidiaries recognizes salary, overtime, bonus and social securities as expenses when incurred.

The Company issued warrants to purchase the ordinary shares to the directors and employees of the Company. The transaction will be recorded in the financial statements when the warrants are exercised.

#### 4.20 Sectoral business operations

The business sector is the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

The sectoral business operation is disclosed under the separate business sectors of the group companies.

#### 4.21 Financial instruments

Financial instruments consist of financial assets shown on the balance sheets include cash and bank deposits, trade accounts and notes receivable, loans receivable and investment and financial liabilities shown on the balance sheets include bank overdraft, loans payable and trade accounts and notes payable, of which accounting policy is separately disclosed for each item.

#### 4.22 Use of accounting estimates

Preparation of the financial statements to confirm with generally accepted accounting principles, the management has to use various estimates and assumptions which would affect amounts relating to incomes, expenses, assets, liabilities and disclosure of data relating to contingent assets and liabilities. The actual result may differ from amounts already estimated.

### 5. BASIS FOR PREPARATION CONSOLIDATED FINANCIAL STATEMENTS

5.1 The consolidated financial statements included the accounts of the Company and its subsidiaries after at the percentage as follows:

Company's Name	Percentage of Shareholding		Incorporated in	Type of Business
	2010	2009		
Matching Entertainment Co., Ltd.	100.00	100.00	Thailand	Produce and contract to produce events organize
Gear Head Co., Ltd.	100.00	100.00	Thailand	Provide services and renting of advertising equipments
Fatman and Little Boy Co., Ltd.	100.00	100.00	Thailand	Contract to produce T.V. advertisement

Company's Name	Percentage of Shareholding		Incorporated in	Type of Business
	2010	2009		
Matching Studio Plus Co., Ltd. (Formerly, Matching Motion Pictures Co., Ltd.)	100.00	100.00	Thailand	Produce and contract to produce movies programs
Matching Broadcast Co., Ltd.	100.00	100.00	Thailand	Produce and contract to produce T.V.
Matching Movie Town Co., Ltd.	100.00	100.00	Thailand	Photographic studio service, sell media, contract to produce T.V. program and organize all entertainment events
Book Maker Co., Ltd.	100.00	100.00	Thailand	Produce and sale books
Goody Film BKK Co., Ltd.	60.00	60.00	Thailand	Contract to produce film advertisement both locally and in foreign countries
Matching Television Co., Ltd. (Subsidiary of Matching Broadcast Co., Ltd.)	100.00	100.00	Thailand	Produce and contract to produce T.V. programs

5.2 The consolidated financial statements included the accounts of the joint venture that the Company has entered into a joint venture agreement as follows:

Name of Joint venture	Percentage of shareholding		Objective	Type of joint venture	Incorporate in
	2010	2009			
DTC	-	33.33	To facilitate the pageant organizer in hosting the Miss Universe 2005 pageant	Operation with joint control	Thailand

In January 2010 the joint venture has terminated its liquidation and the Company has fully received of the remained sharing capital.

5.3 In preparing the consolidated financial statements, the Company has already eliminated the remaining balance and inter-transactions with subsidiaries and joint venture.

5.4 The subsidiaries and joint venture have the accounting periods which ended on the same date as Matching Maximize Solution Public Company Limited's accounting period.

## 6. RELATED PARTIES TRANSACTIONS

The Company had transaction items with related companies and parties which have the same group of shareholders' or common directors. Significant inter-transactions and remaining balances between the Company and the said related companies and parties could be summarized as follows:

## 6.1 Inter-assets and liabilities

(Unit : Baht)

Type of transaction/accounts name	Relationship	Consolidated Balance Sheets		Separate Balance Sheets	
		2010	2009	2010	2009
- Trade accounts receivable					
Gear Head Co., Ltd.	Subsidiary	-	-	-	197,495.25
Matching Entertainment Co., Ltd.	Subsidiary	-	-	-	2,033,000.00
Matching Studio Plus Co., Ltd.	Subsidiary				
(Formerly : Matching Motion Pictures Co., Ltd.)		-	-	19,125,377.95	17,300,000.00
Total		-	-	19,125,377.95	19,530,495.25
<u>Less</u> Allowance for doubtful debt-					
Matching Studio Plus Co., Ltd.	Subsidiary				
(Formerly : Matching Motion Pictures Co., Ltd.)		-	-	-	(10,041,401.34)
Trade accounts receivable-net		-	-	19,125,377.95	9,489,093.91
In the year 2010, the Company has reversed allowance for doubtful that fully amount of a subsidiary, since the management of subsidiary company has a better financial position to pay.					
- Short-term loans to					
Matching Entertainment Co., Ltd.	Subsidiary	-	-	58,300,000.00	62,800,000.00
Gear Head Co., Ltd.	Subsidiary	-	-	47,000,000.00	47,000,000.00
Book Maker Co., Ltd.	Subsidiary	-	-	-	3,600,000.00
Matching Movie Town Co., Ltd.	Subsidiary	-	-	39,000,000.00	46,000,000.00
Matching Studio Plus Co., Ltd.	Subsidiary				
(Formerly : Matching Motion Pictures Co., Ltd.)		-	-	5,000,000.00	-
Total		-	-	149,300,000.00	159,400,000.00
<u>Less</u> Allowance for doubtful debts		-	-	(69,778,441.77)	(78,103,798.93)
Short-term loans - net		-	-	79,521,558.23	81,296,201.07
- Accrued interest income					
Matching Entertainment Co., Ltd.	Subsidiary	-	-	1,150,000.00	1,399,989.40
Gear Head Co., Ltd.	Subsidiary	-	-	3,833,271.46	9,833,271.46
Book Maker Co., Ltd.	Subsidiary	-	-	-	609,412.01
Matching Movie Town Co., Ltd.	Subsidiary	-	-	-	2,141,222.77
Total		-	-	4,983,271.46	13,983,895.64
Short-term loans and accrued interest income - net		-	-	84,504,829.69	95,280,096.71
- Trade accounts payable					
Gear Head Co., Ltd.	Subsidiary	-	-	344,926.77	2,247,557.16
Matching Studio Plus Co., Ltd.	Subsidiary				
(Formerly : Matching Motion Pictures Co., Ltd.)		-	-	8,739,760.00	-
Total trade accounts payable		-	-	9,084,686.77	2,247,557.16
- Short-term loan from					
Fatman and Little Boy Co., Ltd.	Subsidiary	-	-	7,000,000.00	7,000,000.00
Matching Studio Plus Co., Ltd.	Subsidiary				
(Formerly : Matching Motion Pictures Co., Ltd.)		-	-	-	1,100,000.00
Total short-term loans		-	-	7,000,000.00	8,100,000.00



Loans and accrued interest due from subsidiaries are mentioned in the notes to the financial statements No.11.

## 6.2 Inter-revenues and expenses

- Revenues for the years ended December 31, 2010 and 2009 are as follows :-

(Unit : Baht)

Type of transaction/accounts name	Relationship	Consolidated Statements of income		Separate Statements of income	
		2010	2009	2010	2009
- Revenues from advertising film production					
Goody Film BKK Co., Ltd.	Subsidiary	-	-	89,500.00	1,990,540.00
Matching Entertainment Co., Ltd.	Subsidiary	-	-	112,750.00	2,335,075.00
Gear Head Co., Ltd.	Subsidiary	-	-	-	609,340.00
Matching Movie Town Co., Ltd.	Subsidiary	-	-	2,000,000.00	-
Matching Studio Plus Co., Ltd.	Subsidiary				
(Formerly : Matching Motion Pictures Co., Ltd.)		-	-	4,602,774.00	-
Total		-	-	6,805,024.00	4,934,955.00
- Other income					
Interest income					
Gear Head Co., Ltd.	Subsidiary	-	-	2,820,000.00	2,777,424.64
Matching Entertainment Co., Ltd.	Subsidiary	-	-	3,529,109.56	2,864,564.38
Matching Movie Town Co., Ltd.	Subsidiary	-	-	2,599,183.55	3,101,506.83
Book Maker Co., Ltd.	Subsidiary	-	-	73,068.50	310,849.32
Matching Studio Plus Co., Ltd.	Subsidiary				
(Formerly : Matching Motion Pictures Co., Ltd.)		-	-	250,684.91	-
Total		-	-	9,272,046.52	9,054,345.17
- Other					
Matching Entertainment Co., Ltd.	Subsidiary	-	-	480,000.00	480,000.00
Fatman and Little Boy Co., Ltd.	Subsidiary	-	-	300,000.00	300,000.00
Goody Film BKK Co., Ltd.	Subsidiary	-	-	2,160,000.00	3,126,600.00
Matching Studio Plus Co., Ltd.	Subsidiary				
(Formerly : Matching Motion Pictures Co., Ltd.)		-	-	1,365,000.00	60,000.00
Matching Movie Town Co., Ltd.	Subsidiary	-	-	60,000.00	60,000.00
Book Maker Co., Ltd.	Subsidiary	-	-	2,260,000.00	720,400.00
Matching Broadcast Co., Ltd.	Subsidiary	-	-	60,000.00	60,000.00
Total		-	-	6,685,000.00	4,807,000.00

- Expenses for the years ended December 31, 2010 and 2009 are as follow :-

(Unit : Baht)

Type of transaction/accounts name	Relationship	Consolidated Statements of income		Separate Statements of income	
		2010	2009	2010	2009
- Cost of services					
Gear Head Co., Ltd.	Subsidiary	-	-	4,087,404.01	21,832,315.66
Matching Entertainment Co., Ltd.	Subsidiary	-	-	170,000.00	2,008,000.00
Matching Studio Plus Co., Ltd. (Formerly : Matching Motion Pictures Co., Ltd.)	Subsidiary	-	-	32,140,575.00	-
Book Maker Co., Ltd.	Subsidiary	-	-	260,000.00	-
Total		-	-	36,657,979.01	23,840,315.66
- Building rental fee	Director of the Company	2,121,947.34	2,171,947.40	1,068,000.00	1,133,000.00
- Operation expenses					
Matching Entertainment Co., Ltd.	Subsidiary	-	-	-	63,800.00
Gear Head Co., Ltd.	Subsidiary	-	-	24,079.57	5,072.25
Book Maker Co., Ltd.	Subsidiary	-	-	6,300.00	25,200.00
Total		-	-	30,379.57	94,072.25
- Directors and excutive remuneration	Director of the Company	16,417,033.00	19,462,200.00	16,417,033.00	19,462,200.00
- Interest expenses					
Fatman and Little Boy Co., Ltd.	Subsidiary	-	-	419,999.99	419,999.99
Matching Studio Plus Co., Ltd. (Formerly : Matching Motion Pictures Co., Ltd.)	Subsidiary	-	-	4,339.73	66,000.01
Goody Film BKK Co., Ltd.	Subsidiary	-	-	-	33,369.86
Matching Broadcast Co., Ltd.	Subsidiary	-	-	27,945.20	-
Total		-	-	452,284.92	519,369.86

Inter-revenues and expenses are charged at higher than cost, revenues from selling equipments is at the mutually agreed price and other service revenues, building rental fee and operation expenses are in compliance with the mutually agreed agreements.

Directors and executive remuneration represents the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the securities and Exchange Act. The management comprise board of directors, president, executive director, assistant managing directors and manager.

## 7. CASH AND CASH EQUIVALENTS

Consisted of :

(Unit : Baht)

	Consolidated Balance Sheets		Separate Balance Sheets	
	2010	2009	2010	2009
Cash on hand	1,180,989.84	1,622,956.84	405,000.00	1,131,500.00
Cash at banks - current account	394,087.21	3,108,391.18	42,590.94	363,890.94
Cash at banks - savings account	143,748,710.82	35,949,402.42	75,159,520.86	7,548,966.56
Total	145,323,787.87	40,680,750.44	75,607,111.80	9,044,357.50

## 8. SAVINGS ACCOUNT USING FOR GUARANTEE

As at December 31, 2010, and 2009, the Company has a savings account with a local commercial bank with interest rate at 0.25-0.50% per annum, to secure of issuing the letter of guarantee for advertising film Production contract of the same bank which term are not exceed 6 months.

## 9. CURRENT INVESTMENT

Consisted of:

(Unit : Baht)

	Separate Balance Sheets	
	2010	2009
Cash at banks - fixed account	546,277.38	529,380.20
Bill of exchanges	1,500,000.00	1,500,000.00
	<u>2,046,277.38</u>	<u>2,029,380.20</u>

As at December 31, 2010 and 2009, two subsidiary have cash at bank - fixed deposit account, and bill of exchanges which term are not exceed 1 year, and the interest rate 0.05 - 1.75% per annum and 0.50 - 2.75% per annum, respectively.

## 10. TRADE ACCOUNTS AND NOTES RECEIVABLE

Consisted of:

(Unit : Baht)

	Consolidated Balance Sheets		Separate Balance Sheets	
	2010	2009	2010	2009
Aging of trade accounts receivables : -				
Undue	101,628,349.93	96,479,331.91	11,553,726.96	26,482,465.47
Less than 3 months	32,362,298.03	42,794,099.47	144,030.24	20,570,687.52
Over 3 months but not over 6 months	5,263,494.02	688,014.65	521,999.50	5,350.00
Over 6 months but not over 12 months	3,522,028.99	205,365.28	2,907,725.00	76,826.00
Over 12 months	9,229,236.26	14,847,557.49	3,849,700.00	5,499,700.00
Total	<u>152,005,407.23</u>	<u>155,014,368.80</u>	<u>18,977,181.70</u>	<u>52,635,028.99</u>
Trade accounts receivable-unbilled	55,947,973.47	56,400,416.94	35,426,956.51	35,330,225.00
Notes receivable	-	28,350.00	-	-
Total trade accounts and notes receivable	<u>207,953,380.70</u>	<u>211,443,135.74</u>	<u>54,404,138.21</u>	<u>87,965,253.99</u>
<u>Less</u> Allowance for doubtful debts	(16,793,927.76)	(14,426,057.49)	(6,958,424.50)	(5,499,700.00)
Allowance for returned goods	(786,825.00)	(638,842.75)	-	-
Contractual deposit	(1,470,826.25)	(3,738,189.75)	(490,000.00)	(3,703,189.75)
Prepaid Income	(265,733.32)	-	-	-
Net	<u>188,636,068.37</u>	<u>192,640,045.75</u>	<u>46,955,713.71</u>	<u>78,762,364.24</u>

Allowance for doubtful debts is changed during the year as follows:

(Unit : Baht)

	Consolidated Balance Sheets		Separate Balance Sheets	
	2010	2009	2010	2009
Beginning balance	14,426,057.49	13,425,421.43	5,499,700.00	5,499,700.00
Additional during the year	8,693,169.53	3,123,464.33	3,108,724.50	-
Deduction during the year	(6,325,299.26)	(2,122,828.27)	(1,650,000.00)	-
Ending balance	16,793,927.76	14,426,057.49	6,958,424.50	5,499,700.00

In January 2010, the Company made a contract of compromise on principle amount of Baht 1.65 million with an account receivable, by the repayment under the contract amount of Baht 1.00 million by 6 post dated cheques and payment within June 26, 2010. The rest of debts amount of Baht 0.65 million, the Company will be record as bad debt when cheque on due, and the account receivable complied the contract by repayment debt amount of Baht 1.00 million. The Company has reversed allowance for doubtful in the same amount.

A subsidiary made a contract of compromise on principle amount of Baht 2.00 million which allowance for doubtful already, with an account receivable, by the repayment under the contract amount of Baht 0.60 million, starting from June 2008 to March 2009 repay monthly of Baht 25,000.00 and April 2009 to January 2010 repay monthly of Baht 35,000.00 such the account receivable complied the contract by repayment debt. The account receivable paid fully the total of Baht 0.60 million, and in the year 2010 the subsidiary has reversed allowance for doubtful that receive amounts. The rest of debts amount of Baht 1.40 million, such the subsidiary has reversed allowance for doubtful in the same amount.

A subsidiary has received debt amount of Baht 0.88 million and its written-off the account receivable amount of Baht 1.85 million (four accounts receivable which outstanding since 2008 and 2009) which the allowance for doubtful already, the subsidiary has reversed allowance for doubtful that fully amount.

And the five subsidiaries had recorded allowance for doubtful amount of Baht 5.58 million for six accounts receivable not expected to be repaid.

## 11. SHORT-TERM LOANS AND ACCRUED INTEREST INCOME TO SUBSIDIARIES

For the year ended December 31, 2010, there were movements in the separate financial statements as follows:

(Unit : Baht)

	Matching Entertainment Co., Ltd.	Gear Head Co., Ltd.	Book Maker Co., Ltd.	Matching Movie Town Co., Ltd.	Matching Studio Plus Co., Ltd.	Total
Short-term loans to subsidiaries						
Beginning Balance	62,800,000.00	47,000,000.00	3,600,000.00	46,000,000.00	-	159,400,000.00
Increase in the year	14,000,000.00	-	-	-	5,000,000.00	19,000,000.00
Repayment in the year	(18,500,000.00)	-	(3,600,000.00)	(7,000,000.00)	-	(29,100,000.00)
Ending Balance	58,300,000.00	47,000,000.00	-	39,000,000.00	5,000,000.00	149,300,000.00
Less Allowance for doubtful debts	(50,090,164.26)	-	-	(19,688,277.51)	-	(69,778,441.77)
Loans to subsidiaries-net	8,209,835.74	47,000,000.00	-	19,311,722.49	5,000,000.00	79,521,558.23

(Unit : Baht)

	Matching Entertainment Co., Ltd.	Gear Head Co., Ltd.	Book Maker Co., Ltd.	Matching Movie Town Co., Ltd.	Matching Studio Plus Co., Ltd.	Total
Accrued interest income						
Beginning Balance	1,399,989.40	9,833,271.46	609,412.01	2,141,222.77	-	13,983,895.64
Increase in the year	3,529,109.56	2,820,000.00	73,068.50	2,599,183.55	250,684.91	9,272,046.52
Repayment in the year	(3,779,098.96)	(8,820,000.00)	(682,480.51)	(4,740,406.32)	(250,684.91)	(18,272,670.70)
Ending Balance	1,150,000.00	3,833,271.46	-	-	-	4,983,271.46
Total short-term loans and accrued interest						
income to subsidiaries-net	9,359,835.74	50,833,271.46	-	19,311,722.49	5,000,000.00	84,504,829.69

Allowance for doubtful debts is changed during the year as follows:

(Unit : Baht)

	2010	2009
Beginning balance	78,103,798.93	97,332,528.49
Additional during the year	9,514,323.92	4,457,100.21
Deduction during the year	(17,839,681.08)	(23,685,829.77)
Ending balance	69,778,441.77	78,103,798.93

As at December 31, 2010, short-term loan to subsidiaries is a form of loan in promissory note, due at call, with interest rate at 6.00% per annum and without any collateral. Allowance for doubtful debts on this loan to the subsidiaries is recorded based on consideration of each subsidiary's results of operations.

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## 12. INVENTORIES AND WORK IN PRODUCTIONS

Consisted of:

(Unit : Baht)

	Consolidated Balance Sheets		Separate Balance Sheets	
	2010	2009	2010	2009
T.V. programs in production	2,320,114.95	1,385,891.78	803,650.00	-
Movie in production	352,805.34	22,066,411.31	200,000.00	-
Magazines	55,587.12	14,095.00	-	-
Supplies	2,902,162.25	3,008,376.60	-	-
Others	42,151.99	198,445.18	-	-
Total	5,672,821.65	26,673,219.87	1,003,650.00	-
<u>Less</u> Allowance for value reduction of				
work in production	-	(22,066,411.31)	-	-
Net	5,672,821.65	4,606,808.56	1,003,650.00	-

During the year 2010, a subsidiary wrote - off the Movie in production at the amount of Baht 22.07 million because the Movie could not potentially generate income in the future. The subsidiary had fully provided provision since 2005. The subsidiary has reversed allowance for value reduction of work in production for the same amount.



### 13. LOANS TO EMPLOYEES

Consisted of :

(Unit : Baht)

	Consolidated Balance Sheets		Separate Balance Sheets	
	2010	2009	2010	2009
Beginning Balance	199,041.30	807,866.53	90,740.97	586,215.01
Increase in the year	681,000.00	1,052,250.93	247,000.00	847,500.00
Repayment in the year	(554,045.27)	(1,661,076.16)	(214,480.61)	(1,342,974.04)
Ending Balance	325,996.03	199,041.30	123,260.36	90,740.97

Loans to employees had charged inter interest at the rate MLR-1% per annum.

### 14. OTHER CURRENT ASSETS

Consisted of :

(Unit : Baht)

	Consolidated Balance Sheets		Separate Balance Sheets	
	2010	2009	2010	2009
Advance payment	6,697,965.75	3,443,380.75	54,690.41	1,331,563.61
Other accounts receivable	5,275,044.03	5,295,044.03	-	-
<u>Less</u> Allowance for doubtful debt	(5,275,044.03)	(5,285,044.03)	-	-
Other accounts receivable-net	-	10,000.00	-	-
Prepaid insurance fee	2,561,924.55	2,896,248.92	186,447.09	316,500.68
Input tax invoices to be issued	4,738,414.05	3,744,304.58	856,101.33	1,507,688.07
Deposit	455,000.00	744,000.00	400,000.00	200,000.00
Withholding tax within 1 year	12,597,689.40	15,339,698.78	4,714,468.98	5,897,893.76
Other	1,591,315.97	1,994,936.61	349,729.31	357,817.23
Total	28,642,309.72	28,172,569.64	6,561,437.12	9,611,463.35

Other accounts receivable of Baht 5.28 million is the account receivable of Chai - Yo Production Co., Ltd. which was brought to trial by a subsidiary. Currently, the court has disposed the care temporary. Because the main care is not taken to final process. Thence, the subsidiary set aside of allowance you doubtful debt in full amount.

## 15. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURE

Consisted of :

(Unit : Baht)

					Separate Balance Sheets							
					As at December 31, 2010				As at December 31, 2009			
					Cost Method	Allowance	Net	Dividend	Cost Method	Allowance	Net	Dividend
						Impairment				Impairment		
Paid-up share capital (Unit : Thousand Baht) of shareholding												
	2010	2009	2010	2009								
<u>Subsidiaries</u>												
Matching Entertainment Co., Ltd.	40,000	40,000	100.00	100.00	40,000,000.00	(40,000,000.00)	-	-	40,000,000.00	(40,000,000.00)	-	-
Gear Head Co., Ltd.	130,000	130,000	100.00	100.00	130,000,000.00	-	130,000,000.00	-	130,000,000.00	-	130,000,000.00	-
Fatman and Little Boy Co., Ltd.	7,000	7,000	100.00	100.00	7,000,000.00	-	7,000,000.00	-	7,000,000.00	-	7,000,000.00	-
Matching Studio Plus Co., Ltd.	130,000	130,000	100.00	100.00	130,000,000.00	(113,626,505.83)	16,373,494.17	-	130,000,000.00	(130,000,000.00)	-	-
Matching Broadcast Co., Ltd.	10,000	10,000	100.00	100.00	10,000,000.00	-	10,000,000.00	-	10,000,000.00	-	10,000,000.00	4,999,650.00
Matching Movie Town Co., Ltd.	50,000	50,000	100.00	100.00	50,000,000.00	(50,000,000.00)	-	-	50,000,000.00	(50,000,000.00)	-	-
Book Maker Co., Ltd.	2,000	2,000	100.00	100.00	2,000,000.00	-	2,000,000.00	-	2,000,000.00	(2,000,000.00)	-	-
Goody Film BKK Co., Ltd.	1,000	1,000	60.00	60.00	600,000.00	-	600,000.00	-	600,000.00	-	600,000.00	5,994,000.00
Total subsidiaries					369,600,000.00	(203,626,505.83)	165,973,494.17	-	369,600,000.00	(222,000,000.00)	147,600,000.00	10,993,650.00
<u>Joint venture</u>												
DTC Joint venture	-	226,600	-	33.33	-	-	-	-	75,533,333.33	(75,459,495.32)	73,838.01	-
Total investments					369,600,000.00	(203,626,505.83)	165,973,494.17	-	445,133,333.33	(297,459,495.32)	147,673,838.01	10,993,650.00

Allowance for loss on impairment of investment in subsidiaries and joint venture in the separate financial statements changed during the year as follows:

(Unit : Baht)

	2010	2009
Beginning balance	297,459,495.32	289,611,961.87
Additional during the year	-	7,847,533.45
Deduction during the year	(93,832,989.49)	-
Ending balance	203,626,505.83	297,459,495.32

The Company recorded allowance for impairment of investments in subsidiaries and joint venture by considering each subsidiary and joint venture's operating results.

On November 12, 2009, DTC joint venture has called for payment of the additional investment at the amount of Baht 12 million. The Company paid the additional investment of Baht 4.00 million and recorded allowance for impairment of investments in joint venture in full amount. According to the joint venture's meeting No.1/2009 on December 14, 2009, the joint venture unanimously approved to terminate the joint venture Since its objectives were achieved. In January 2010, the joint venture had completed its liquidation and the Company fully received of the remaining shared capital.

#### 16. FIXED DEPOSIT USING FOR GUARANTEE

As at December 31, 2010 and 2009, the Company has fixed deposit at the amount of Baht 281,600.00 with a local commercial bank with an annual interest rate at 0.50 - 0.75% per annum and 0.75-1.50% per annum, respectively to secure of the letter of guarantee issued by a local commercial bank for using electricity.

In addition, a subsidiary has fixed deposit at the amount of Baht 471,870.00 with a local commercial bank with an annual interest at 0.50% per annum and 1.75% per annum, respectively to secure of the letter of guarante for a subsidiary's television time contract "PLOD NHEE."

#### 17. LOANS TO OTHER COMPANY

Consisted of :

(Unit : Baht)

	Consolidated Balance Sheets	
	2010	2009
Loans - Kin-im non-aun Co., Ltd.	1,500,000.00	1,500,000.00
<u>Less</u> Allowance for doubtful debts	(1,500,000.00)	(1,500,000.00)
Net	-	-

A subsidiary filed a lawsuit against the above loan borrower. The court concluded that the borrower pay Baht 1.60 million plus interest at the rate of 7.5% per annum for the principle of Baht 1.50 million. At the current, the case is still in a processing of court order.

## 18. ASSETS FOR LEASES

Consisted of :

(Unit : Baht)

	Consolidated Balance Sheets				
	Balance per book Dec. 31, 2009	Additions	Deductions	Transferred out	Balance per book Dec. 31, 2010
<u>At cost</u>					
Production equipment	379,870,641.17	15,330,134.21	(16,128.00)	(27,286.94)	395,157,360.44
Equipment and supply for film production	7,025,416.70	2,225,047.37	-	(604,654.49)	8,645,809.58
Vehicles	97,563,308.72	2,573,878.51	(3,433,049.37)	-	96,704,137.86
Work in progress	-	444,066.17	-	-	444,066.17
Total	484,459,366.59	20,573,126.26	(3,449,177.37)	(631,941.43)	500,951,374.05
<u>Less Accumulated depreciation</u>					
Production equipment	260,686,221.39	24,787,913.64	(16,127.00)	(13,540.22)	285,444,467.81
Equipment and supply for film production	3,250,353.29	2,309,701.46	-	(604,648.49)	4,955,406.26
Vehicles	77,115,043.50	3,913,826.77	(2,241,744.57)	-	78,787,125.70
Total	341,051,618.18	31,011,441.87	(2,257,871.57)	(618,188.71)	369,186,999.77
Assets for leases - net	143,407,748.41				131,764,374.28

A subsidiary has assets for lease which the lease is free of contractual obligations bounded by a long-term lease agreement. The lease is only for a single lease time for the service on that asset.

During the year 2010, a subsidiary company has investment in fixed asset about equipment for filming movies, crane, pickup truck, including equipment and production equipment in the total amount of Baht 20.57 million for the purpose of serving customers need.

As at December 31, 2010 and 2009, assets for leases that are fully depreciated but still in use are presented at cost amounted to Baht 180.97 million and Baht 177.03 million, respectively.

## 19. PLANT AND EQUIPMENT

Consisted of :

(Unit : Baht)

	Consolidated Balance Sheets				
	Balance per book Dec. 31, 2009	Additions	Deductions	Transferred out	Balance per book Dec. 31, 2010
<u>At cost</u>					
Production equipment	30,962,321.02	364,539.88	(2,710,280.37)	(26,151.86)	28,590,428.67
Computer and equipment	26,778,574.79	1,197,458.43	(1,081,007.46)	(69,202.41)	26,825,823.35
Furniture and fixture	55,523,318.02	1,195,907.94	(1,283,728.88)	(128,307.47)	55,307,189.61
Vehicles	20,892,800.41	-	-	-	20,892,800.41
Total	134,157,014.24	2,757,906.25	(5,075,016.71)	(223,661.74)	131,616,242.04
<u>Less Accumulated depreciation</u>					
Production equipment	26,165,659.18	2,422,645.32	(1,882,880.99)	(26,148.86)	26,679,274.65
Computer and equipment	24,463,489.58	1,218,384.14	(1,058,449.03)	(68,831.75)	24,554,592.94
Furniture and fixture	48,502,331.86	3,212,002.47	(1,272,054.53)	(128,303.47)	50,313,976.33
Vehicles	15,110,716.21	1,739,730.16	-	-	16,850,446.37
Total	114,242,196.83	8,592,762.09	(4,213,384.55)	(223,284.08)	118,398,290.29

(Unit : Baht)

	Consolidated Balance Sheets				
	Balance per book	Additions	Deductions	Transferred	Balance per book
	Dec. 31, 2009			out	Dec. 31, 2010
Less Allowance for asset impairment					
Production equipment	615,207.01	-	(595,966.63)	-	19,240.38
Computer and equipment	67,545.74	-	-	-	67,545.74
Furniture and fixture	1,122.62	-	-	-	1,122.62
Total	683,875.37	-	(595,966.63)	-	87,908.74
Plant and equipment-net	19,230,942.04				13,130,043.01

(Unit : Baht)

	Separate Balance Sheets			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2009			Dec. 31, 2010
At cost				
Production equipment	25,988,214.80	8,828.97	-	25,997,043.77
Computer and equipment	15,503,635.02	603,914.06	(1,017,944.62)	15,089,604.46
Furniture and fixture	34,545,468.96	709,700.43	(601,244.47)	34,653,924.92
Vehicles	9,593,923.02	-	-	9,593,923.02
Total	85,631,241.80	1,322,443.46	(1,619,189.09)	85,334,496.17
Less Accumulated depreciation				
Production equipment	22,655,739.58	2,007,151.11	-	24,662,890.69
Computer and equipment	14,026,537.88	798,396.12	(1,014,250.69)	13,810,683.31
Furniture and fixture	30,743,198.72	1,799,798.25	(600,045.91)	31,942,951.06
Vehicles	5,398,538.73	1,358,937.93	-	6,757,476.66
Total	72,824,014.91	5,964,283.41	(1,614,296.60)	77,174,001.72
Plant and equipment-net	12,807,226.89			8,160,494.45

During the year 2010, the management of a subsidiary has approved to write-off obsolete fixed assets, at the cost of Baht 0.23 million and the book value of Baht 7.00, the Company recorded a loss from disposal of fixed assets for the same amount.

In addition, a subsidiary sold a video recorder of a discontinued segment to an outsider. The asset cost is Baht 2.71 million and the book value is Baht 0.23 million. The Company recorded a gain on sale of assets of Baht 0.05 million.

As at December 31, 2010 and 2009, vehicles and production equipment as appeared in the consolidated balance sheets and in the separate balance sheets at the book value at the amount of Baht 2.80 million and Baht 4.00 million respectively, are under financial lease contracts as mentioned in the notes to financial statements No. 28.

As at December 31, 2010 and 2009, plant and equipment that are fully depreciated but still in use are presented in the consolidated balance sheets at the cost of Baht 92.46 million and Baht 84.65 million, respectively and in the separate balance sheets at the cost of Baht 56.92 million and Baht 54.17 million, respectively.



## 20. INTANGIBLE ASSETS

Consisted of :

(Unit : Baht)

	Consolidated Balance Sheets				
	Balance per book	Additions	Deductions	Transferred	Balance per book
	Dec. 31, 2009			(out)	Dec. 31, 2010
<u>At cost</u>					
Software	4,749,345.28	60,000.00	-	45,000.00	4,854,345.28
Software in progress	895,000.00	255,000.00	-	(45,000.00)	1,105,000.00
Royalty	45,500.00	-	-	-	45,500.00
Total	5,689,845.28	315,000.00	-	-	6,004,845.28
<u>Less Accumulated amortization</u>	3,113,691.49	645,175.65	-	-	3,758,867.14
Intangible assets - net	2,576,153.79				2,245,978.14

(Unit : Baht)

	Separate Balance Sheets				
	Balance per book	Additions	Deductions	Transferred	Balance per book
	Dec. 31, 2009			(out)	Dec. 31, 2010
<u>At cost</u>					
Software	3,098,658.46	60,000.00	-	45,000.00	3,203,658.46
Software in progress	20,000.00	25,000.00	-	(45,000.00)	-
Total	3,118,658.46	85,000.00	-	-	3,203,658.46
<u>Less Accumulated amortization</u>	1,961,659.90	476,294.12	-	-	2,437,954.02
Intangible assets - net	1,156,998.56				765,704.44

As at December 31, 2010 and 2009, intangible assets are fully amortization but still in use are presented in the consolidated balance sheets at cost of Baht 2.92 million and Baht 1.41 million, respectively and in the separate balance sheets at the cost of Baht 1.81 million and Baht 0.57 million, respectively.

## 21. COPYRIGHT FEE FROM FILM PRODUCTION

Consisted of :

(Unit : Baht)

	Consolidated Balance Sheets	
	2010	2009
Copyright fee from film production	-	2,282,490.46
<u>Less Allowance for value reduction of copyright fee</u>		
from film production	-	(2,282,490.46)
Copyright fee from film production - net	-	-

During the year 2010, a subsidiary had written-off six copyright fee from film production amount of Baht 2.28 million because of the Movie could not be generated income in the future, which a subsidiary had fully provided provision since 2007. The subsidiary has reversed allowance for value reduction of copyright fee from film production in the same amount.

## 22. LEASEHOLD RIGHT

Consisted of:

(Unit : Baht)

	Consolidated Balance Sheets			
	Balance per book Dec. 31, 2009	Additions	Deductions	Balance per book Dec. 31, 2010
<u>At cost</u>				
Leasehold right of land and buildings	5,000,000.00	1,260,000.00	-	6,260,000.00
Utilization right of land and improvements	3,458,062.25	-	-	3,458,062.25
Utilization right of studio building	107,838,189.01	-	-	107,838,189.01
Utilization right of buildings improvement on leasehold	15,167,421.38	510,000.00	-	15,677,421.38
Work in progress	-	1,163,709.60	-	1,163,709.60
<b>Total</b>	<b>131,463,672.64</b>	<b>2,933,709.60</b>	<b>-</b>	<b>134,397,382.24</b>
<u>Less Accumulated depreciation</u>				
Leasehold right of land and buildings	4,585,308.41	333,500.00	-	4,918,808.41
Utilization right of land and improvements	3,118,019.38	131,577.03	-	3,249,596.41
Utilization right of studio building	24,263,361.69	5,458,417.16	-	29,721,778.85
Utilization right of buildings improvement on leasehold	7,701,220.64	904,516.48	-	8,605,737.12
<b>Total</b>	<b>39,667,910.12</b>	<b>6,828,010.67</b>	<b>-</b>	<b>46,495,920.79</b>
<b>Leasehold right - net</b>	<b>91,795,762.52</b>			<b>87,901,461.45</b>

(Unit : Baht)

	Separate Balance Sheets			
	Balance per book Dec. 31, 2009	Additions	Deductions	Balance per book Dec. 31, 2010
<u>At cost</u>				
Leasehold right	5,000,000.00	-	-	5,000,000.00
Utilization right of studio building	92,298,320.98	-	-	92,298,320.98
Utilization right of buildings improvement on leasehold	14,959,512.51	-	-	14,959,512.51
Work in progress	-	1,163,709.60	-	1,163,709.60
<b>Total</b>	<b>112,257,833.49</b>	<b>1,163,709.60</b>	<b>-</b>	<b>113,421,543.09</b>
<u>Less Accumulated depreciation</u>				
Leasehold right	4,585,308.41	333,500.00	-	4,918,808.41
Utilization right of studio building	18,987,784.66	4,614,916.07	-	23,602,700.73
Utilization right of buildings improvement on leasehold	7,643,710.00	856,298.92	-	8,500,008.92
<b>Total</b>	<b>31,216,803.07</b>	<b>5,804,714.99</b>	<b>-</b>	<b>37,021,518.06</b>
<b>Leasehold right - net</b>	<b>81,041,030.42</b>			<b>76,400,025.03</b>

As at December 31, 2010 and 2009, the Company obtained one leasehold right agreement of land and buildings with the periods of 15-30 years, renting from a director of the Company.

As at December 31, 2010 and 2009, utilization right on rental land is built on long term leased land and leasehold right that are fully depreciated but are still in use at cost of Baht 5.25 million and Baht 4.91 million, respectively in the consolidated balance sheets and Baht 1.95 million in the separate balance sheets.

As at December 31, 2010 and 2009, two subsidiaries have leasehold right agreement of land at the book value in amount of Baht 3.21 million and Baht 3.39 million, respectively, when an agreement cancelled, as a result of which the lessor will obtain the ownership rights of buildings.

## 23. LAND NOT USED IN OPERATION

Consisted of :

(Unit : Baht)

	Consolidated Balance Sheets	
	2010	2009
Land (Prachuapkhirkhan Province)	10,249,563.50	10,249,563.50
Land with construction (Kancharnaburi Province)	1,960,000.00	1,960,000.00
	12,209,563.50	12,209,563.50
<u>Less</u> Allowance impairment of land	(1,960,000.00)	(1,960,000.00)
Net	10,249,563.50	10,249,563.50

A subsidiary has the two lands not used in operation amounted to Baht 12.21 million consisted of, land pledged against the long-term loan from a financial institution amounted to Baht 10.25 million as mentioned in the notes to financial statements No.27.2 and the land under the land ownership document type Por. Bor. Tor. 5 amounted to Baht 1.96 million, which a subsidiary received as the repayment from the loan from employee.

## 24. OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Consisted of :

(Unit : Baht)

	Consolidated Balance Sheets		Separate Balance Sheets	
	2010	2009	2010	2009
Bank overdrafts	921,093.35	3,506,792.32	395,045.64	1,306,562.39
Short-term loans from financial institutions				
- Promissory notes	-	10,000,000.00	-	10,000,000.00
Total	921,093.35	13,506,792.32	395,045.64	11,306,562.39

As at December 31, 2010 and 2009, the consolidated balance sheets had six credit lines overdrafts with two commercial banks at the credit limit of Baht 43.00 million, with the interest rate at MOR% per annum which the credit limit of Baht 13.00 million is unsecured. The remaining credit limit of Baht 30.00 million is guaranteed by the Company. The separate balance sheets had three credit limit of Baht 13.00 million, with the interest rate at MOR% per annum which the credit is unsecured.

As at December 31, 2010 and 2009, the consolidated balance sheets and the separate balance sheets had short-term loans with a financial institution for one credit limit of Baht 50.00 million and two financial institutions for two credit limit of Baht 80.00 million, respectively, with interest rate at MLR -1.00% per annum which the credit is unsecured.

## 25. CURRENT PORTION OF LONG-TERM LIABILITIES

Consisted of :

(Unit : Baht)

	Consolidated Balance Sheets		Separate Balance Sheets	
	2010	2009	2010	2009
Long-term loans from financial institutions	16,073,743.07	29,044,235.50	7,608,000.00	7,608,000.00
Liabilities under financial lease contracts	664,756.09	826,028.00	664,756.09	826,028.00
<b>Total</b>	<b>16,738,499.16</b>	<b>29,870,263.50</b>	<b>8,272,756.09</b>	<b>8,434,028.00</b>

## 26. SHORT-TERM LOANS FROM SUBSIDIARIES

For the year ended December 31, 2010, there were movements in the separate financial statements as follows:

(Unit : Baht)

	Fatman and Little Boy Co., Ltd.	Matching Studio Plus Co., Ltd.	Total
Short-term loans from subsidiaries :-			
Beginning Balance	7,000,000.00	1,100,000.00	8,100,000.00
Increase in the year	-	-	-
Repayment in the year	-	(1,100,000.00)	(1,100,000.00)
<b>Ending Balance</b>	<b>7,000,000.00</b>	<b>-</b>	<b>7,000,000.00</b>

As at December 31, 2010, and 2009, the Company has loans from subsidiaries in the form of promissory notes, at call on-demand with interest rate of 6.00% and without any collateral.

## 27. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Consisted of :

(Unit : Baht)

			Consolidated Balance Sheets		Separate Balance Sheets	
			2010	2009	2010	2009
27.1)	Long-term loan the credit of Baht	135.00 million	3,335,587.01	18,200,968.98	-	-
27.2)	Long-term loan the credit of Baht	9.00 million	126,156.06	1,688,342.08	-	-
27.3)	Long-term loan the credit of Baht	38.00 million	24,052,000.00	31,660,000.00	24,052,000.00	31,660,000.00
27.4)	Long-term loan the credit of Baht	25.00 million	15,409,000.00	20,413,000.00	-	-
	<b>Total</b>		<b>42,922,743.07</b>	<b>71,962,311.06</b>	<b>24,052,000.00</b>	<b>31,660,000.00</b>
<u>Less</u>	Current portion due within one year		(16,073,743.07)	(29,044,235.50)	(7,608,000.00)	(7,608,000.00)
	<b>Net</b>		<b>26,849,000.00</b>	<b>42,918,075.56</b>	<b>16,444,000.00</b>	<b>24,052,000.00</b>

As at December 31, 2010 and 2009, the Company and subsidiaries have long-term loans from financial institutions as follow:

- 27.1 Long-term loan from bank under the credit line Baht 135.00 million was a loan of a subsidiary, carries interest at MRR -1.00% per annum for the first two years and after that at MRR% per annum. The principal and interest shall be repaid within 72 months of the first amount of loan received. The repayment terms have been changed to pay the principal and interest on monthly basis at Baht 1.30 million. The loan must be fully repaid by May 12, 2011 and guaranteed by the Company in the full amount.

- 27.2 Long-term loan from bank under the credit line Baht 9.00 million was a loan of a subsidiary, carries interest at MRR -1.00% per annum for the first two years and after that at MLR% per annum. The loan shall be repaid within 84 months of the first amount of loan received. The principal and interest shall be repaid on monthly basis at Baht 0.135 million. This loan is guaranteed by the mortgaging of the subsidiary's land and construction.
- 27.3 Long-term loan under the credit line Baht 38.00 million was a loan of the Company since February 2009, carries interest at MLR -1.00% per annum for the first two years and after that at MLR% per annum. The loan shall be repaid within 60 months of the first amount of loan received. The principal and interest shall be repaid on monthly basis at Baht 0.63 million. This loan is guaranteed by leasehold right of the Company.
- 27.4 Long-term loan under the credit line Baht 25.00 million was a new loan credit line of a subsidiary since January 2009, carries interest at MLR% per annum. Term of repayment shall be settled within 60 months since the date of first withdrawal of loan. The repayment shall be repaid by installment in monthly basis of Baht 0.417 million. The Company guaranteed to pay in full amount of loan agreement.

## 28. LIABILITIES UNDER FINANCIAL LEASE CONTRACTS

Consisted of :

(Unit : Baht)

	Consolidated/ Separate Balance Sheets	
	2010	2009
Liabilities under financial lease contracts	2,369,463.62	3,369,351.38
<u>Less</u> Deferred interest	(257,536.30)	(431,396.01)
Total	2,111,927.32	2,937,955.37
<u>Less</u> Current portion due within one year	(664,756.09)	(826,028.00)
Net	1,447,171.23	2,111,927.37

As at December 31, 2010 and 2009, the Company has long-term financial lease contracts on vehicles with leasing companies in Thailand. In the consolidated and the separate balance sheets, these long-term financial lease consist of 2 contracts and must be repaid at Baht 0.08 million per month (Included VAT) with the terms of 5 years.

Under the term of lease contracts referred to above, the Company shall have the right to purchase the assets at the quoted price at the expiry date of the leases contracts and the Company and a subsidiary shall have to comply with certain conditions and restriction as specified in the lease contracts.

## 29. SHARE CAPITAL/WARRANTS

- 29.1 At the ordinary shareholders' meeting 2009 held on April 29, 2009, the shareholders approved share-purchase warrants of the Matching Maximize Solution Public Co., Ltd. No. 2 (MATCH-W2) to offer existing shareholder according to the proportion of shareholder, as the following conditions.



Listing date	: On June 12, 2009 (Trading commencement on June 12, 2009)
Type of warrant	: Share - purchase warrant of Matching Maximize Solution Public Co., Ltd. No. 2 (MATCH-W2)
Type	: Specification of share holders and negotiable
Quantity	: 103,431,863 units
Period	: 5 years from the issuing date (on May 29, 2009, and last exercise date on May 29, 2014. The first exercising rights on December 30, 2009.
Offering price	: Baht 0 per unit.
Exercise ratio	: 1 Share - purchase warrant get 1 right to buy 1 ordinary share
Exercise price	: Baht 1.40 per share, unless the exercise ratio and/or the price is adjusted under the conditions of the rights adjustment as specified in the terms and conditions of the warrants in part of the rights adjustment.
Offering	: Issued the warrants to its existing shareholders on a pro rata basis. In this regard, the names of shareholders entitled to receipt of the warrants of the Matching Maximize Solution Public Co., Ltd. were fixed on May 28, 2009 (record date) by means of share register book closure and suspension of share transfer on May 29, 2009. The allocation of warrants was allocated at the ratio of 2 shares per 1 warrant.

During the year 2010, the warrant holders have exercised 45,172,500 units of their MATCH-W2 into 45,172,500 ordinary shares, at Baht 1 each, at exercised par of Baht 1.40 each, in the amount of Baht 63,241,500.00 which have premium on ordinary shares in amount of Baht 18,069,000.00. The Company has registered the share capital increase with the Stock Exchange of Thailand and could commence trading in the Stock Exchange.

As at December 31, 2010, the Company has the warrant outstanding 58,259,363 units.

- 29.2 At the annual shareholders' meeting No. 1/2007 held on April 30, 2007, the shareholders approved share-purchase warrants offered to the directors and employees of the Company and/or subsidiaries as the following conditions.

Type of warrant	: Share-purchase warrant of Matching Maximize Solution Public Co., Ltd. No. 2 (ESOP II)
Type	: Specification of shareholders and non-transferable
Quantity	: 10,000,000 unit
Period	: 3 years from issuing date for exercising rights commencing on May 15, 2008 and the last exercise date on November 2010
Offering price	: Bath 0 per unit



- |                 |   |   |
|-----------------|---|---|
| Exercise ratio  | : | 1 share - purchase warrant get 1 right to buy 1 ordinary share  |
| Exercise price  | : | Baht 1.00 per share   |
| Exercise period | : | Every 3 months. Proportions of rights to be exercised are specified as follows:- <ul style="list-style-type: none"> <li>- During the periods from May 15, 2008 to November 14, 2008 and November 15, 2008 to May 14, 2009, rights of each period could be exercised at no more than 12.50% of all appropriated warrants.</li> <li>- During the periods from May 15, 2009 to November 14, 2009, rights could be exercised at no more than 25% of all appropriated warrants.</li> <li>- Since November 15, 2009 onwards, rights could be exercised fully for the remaining appropriated warrants.</li> <li>- During any period, if the exercise of rights is not fully met, the unutilized portion can be added to that of the next periods until the exercise right is expired.</li> </ul> |

During the year 2010, the warrant holders have exercised 2,887,500 units of their ESOP II into 2,887,500 ordinary shares, at Baht 1 each, at the amount of Baht 2,887,500.00. The Company has registered the share capital increase with the Stock Exchange of Thailand and could commence trading in the Stock Exchange.

On November, 2010, there are unexercised warrants of 3,843,750 units expired.

### 30. LEGAL RESERVE

Under the Public Company Act B.E. 2535, the Company should appropriate a part of its retained earnings as a legal reserve fund of not less than 5% of net profit less any retained loss carried forward until the reserve fund holds not less than 10% of registered capital. The Company will appropriated legal reserve when approve by the shares' holder meeting. The legal reserve could not be used to pay dividend.

Under the provision of the Civil and Commercial Code, the Company is required to set aside as legal reserve at least 5% of its net income at each dividend declaration until the reserve reaches 10% of authorized capital. The reserve is not available for dividend distribution.

### 31. APPROPRIATION OF RETAINED EARNINGS

#### Year 2009

According to the ordinary shareholders' meeting of Matching Maximize Solution Public Company Limited held on April 29, 2009, the shareholders unanimously approved to pay dividend in the amount of Baht 20.83 million, appropriated for 206,868,357 shares of Baht 0.10 each. And on May 22, 2009, the Company paid dividend in the amount of Baht 20.69 million and the shareholder that no right to received dividend was 1,401,700 shares in the amount of Baht 0.14 million, and set the legal reserve in the amount of Baht 2.48 million.

According to the extra-ordinary shareholders' meeting of Goody Film BKK Co., Ltd. No. 1/2009 held on January 12, 2009, the shareholders unanimously approved to pay dividend in the amount of Baht 5.00 million, appropriated for 10,000 shares of Baht 500 each. The Company paid dividend on January 2009.

According to the extra-ordinary shareholders' meeting of Goody Film BKK Co., Ltd. No. 2/2009 held on December 1, 2009, the shareholders unanimously approved to pay dividend in the amount of Baht 5.00 million, appropriated for 10,000 shares of Baht 500 each. The Company paid dividend on December 2009.

According to the ordinary shareholders' meeting of Matching Broadcast Co., Ltd. No. 1/2009 held on September 22, 2009, the shareholders unanimously approved to pay dividend in the amount of Baht 5.00 million, appropriated for 100,000 shares of Baht 50 each.

### 32. EXPENSES BY NATURE

Significant expenses by nature are as follow :

(Unit : Baht)

	Consolidated statements of income		Separate statements of income	
	2010	2009	2010	2009
Depreciation and amortization	46,742,842.33	48,129,841.73	11,911,792.52	12,902,057.70
Employee benefit costs	198,217,367.34	193,550,791.61	30,845,317.61	77,067,685.43
Service charge from outsource	104,187,660.79	111,402,704.20	17,341,924.11	62,644,845.31
Rental charge	45,429,964.81	46,173,096.83	9,355,973.80	24,228,584.24
Commission	7,191,271.66	6,127,758.44	1,843,000.66	613,157.89

### 33. CORPORATE INCOME TAX

The Company, its subsidiaries and its joint venture calculate the corporate income tax at 15 - 30% of the net accounting profit net by the loss carried forward not more than 5 accounting periods and adjusted items in accordance with the Thai Revenue Code.

A subsidiary was granted promotional privileges by the Board of Investment. The tax privileges include exemption from corporate income tax on profits from the promoted activities.

### 34. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing the net profit (loss) for the period by the weighted average number of ordinary shares held by outside shareholders which are issued during the years.

Diluted earnings (loss) per share is calculated by dividing the net profit (loss) for the years by the weighted average number of ordinary shares held by outside shareholders which are issued during the years plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the date of potential ordinary shares were issued.

	Consolidated statements of income		Separate statements of income	
	2010	2009	2010	2009
Net profit (loss) for the year (Baht)				
Net profit (loss) attributable to equity holders of the parent	28,076,401.84	(30,251,025.39)	5,516,168.09	(24,875,723.03)
Weighted average number of ordinary shares (Shares)	223,377,408	208,818,262	223,377,408	208,818,262
Number of share under warrant (ESOP-W2) (shares)	-	8,996,794	-	8,996,794
Number of share that would have been issue at fair value of ESOP-W2 (shares)	-	(6,615,290)	-	(6,615,290)
Number of share under warrant (MATCH-W2) (shares)	91,922,157	283,375	91,922,157	283,375
Number of share that would have been issue at fair value of MATCH-W2 (shares)	(62,169,575)	(249,513)	(62,169,575)	(249,513)
Ordinary shares plus assumed conversions (shares)	253,129,990	211,233,628	253,129,990	211,233,628
Basic earnings (loss) per share (Baht per share)				
Net profit (loss) attributable to share holders of the parent	0.13	(0.14)	0.02	(0.12)
Diluted earnings (loss) per share (Baht per share)				
Net profit (loss) attributable to share holders of the parent	0.11	(0.14)	0.02	(0.12)

## 35. DISCLOSURE OF SECTORAL BUSINESS OPERATIONS

(Unit : Million Baht)

	Consolidated financial statements																			
	For the years ended December 31, 2010 and 2009																			
	Business of Advertising		Movies production		T.V. Program Production		Shows Production		Services and Rental Equipments		Sales of Goods		Publishing		Photograph and Outdoor media		Transaction /Account to be Eliminated		Total	
	Film Production	Business	Business	Business	Business	Business	Business	Business	and Studios						Production					
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from outsiders	259.25	270.64	-	-	125.76	116.01	33.77	55.91	183.08	141.87	7.53	6.73	49.16	42.23	-	0.38	-	-	658.55	633.77
Revenue from related entities	39.36	4.95	-	-	68.50	65.31	4.35	4.72	17.82	22.24	1.84	4.50	0.01	0.10	-	1.04	(131.88)	(102.86)	-	-
Total revenue	298.61	275.59	-	-	194.26	181.32	38.12	60.63	200.90	164.11	9.37	11.23	49.17	42.33	-	1.42	(131.88)	(102.86)	658.55	633.77
Cost from outsiders	177.60	203.92	-	-	55.56	55.73	25.65	49.54	141.64	126.07	7.31	8.40	30.54	25.10	-	0.87	-	-	438.30	469.63
Cost from related entities	58.45	33.47	-	-	73.14	68.60	0.54	2.63	-	-	-	-	0.02	0.01	-	-	(132.15)	(104.71)	-	-
Total cost	236.05	237.39	-	-	128.70	124.33	26.19	52.17	141.64	126.07	7.31	8.40	30.56	25.11	-	0.87	(132.15)	(104.71)	438.30	469.63
Gross profit (loss)	62.56	38.20	-	-	65.56	56.99	11.93	8.46	59.26	38.04	2.06	2.83	18.61	17.22	-	0.55	0.27	1.85	220.25	164.14
Other income																			5.60	3.29
Selling expenses																			(28.57)	(24.82)
Administrative expenses																			(150.43)	(160.56)
Financial expenses																			(3.98)	(5.38)
Corporate income tax																			(14.86)	(5.96)
Net profit (loss)																			28.01	(29.29)
Other data																				
Capital expenditures	3.19	5.36	-	-	1.61	1.57	0.03	-	21.25	21.49	-	-	0.57	0.28	-	0.04	-	-	26.65	28.74
Depreciation	12.01	13.02	-	0.07	1.21	0.70	0.09	0.22	33.18	33.10	-	-	0.25	0.31	-	0.71	-	-	46.74	48.13
Non-cash expenses	(15.43)	17.33	-	0.02	0.61	-	5.13	3.98	0.63	2.80	-	-	0.15	0.02	-	0.22	18.37	(10.35)	9.46	14.02
As at December 31, 2010 and 2009																				
Sectoral assets	588.71	466.08	-	8.37	105.32	48.48	14.26	47.00	218.33	225.44	-	-	16.20	13.21	-	42.83	(314.27)	(290.61)	628.55	560.80
Sectoral liabilities	149.56	114.83	-	18.41	79.34	11.54	64.35	90.77	92.18	110.37	-	-	10.34	12.13	-	77.09	(216.09)	(229.08)	179.68	206.06

### 36. COMMITMENT AND CONTINGENT LIABILITIES

A part from liabilities reflected in the balance sheet as at December 31, 2010, the Company and its subsidiaries hold other commitments as follows:

#### 36.1 Bank commitment as follows :

(Unit : Million Baht)

	Consolidated financial statements	Separate financial statements
Letters of Guarantee	8.44	3.58
Letters of Guarantee (Unutilized)	29.82	29.82
Letters of Credit (Unutilized)	20.00	-
Overdraft (Unutilized)	43.00	13.00
Short-term loan in the form of promissory notes (Unutilized)	50.00	50.00

- Part of letters of guarantees issued for the Company was collateralized by bank deposit of a subsidiary.
- Letter of credit and forward contract which are made for a subsidiary for the total limit of Baht 20.00 million and not yet utilized are guaranteed by the Company.
- Overdraft (Unutilized) of company amount of Baht 13.00 million is unsecured and the subsidiaries amount of Baht 30.00 million guaranteed by the Company.

#### 36.2 Commitment in the long-term rental contracts

The Company and its subsidiaries conducted several long-term rental contracts of land, land and buildings with the periods ranged from 1-30 years, which have commitments to pay rental fee in the future as follow:

(Unit : Million Baht)

	Consolidated financial statements	Separate financial statements
Payable within :		
1 year	7.68	4.73
Over 1 year	19.15	18.08

#### 36.3 Guarantees

36.3.1 The Company and a subsidiary have letter of guarantee issued by a local bank for subsidiary's television time contract "PLOD NHEE" amounted of Baht 1.59 million which guaranteed by subsidiary's fixed deposit at bank amounted of Baht 0.47 million and the Company's fixed deposit at bank.

36.3.2 The Company has letter of guarantee issued by a local bank for subsidiary's television time contract "KHOB DEK SANGBHAAN" amounted of Baht 0.73 million which guaranteed by the Company.

36.3.3 The Company and a subsidiary have six letters of guarantee issued by a local bank for electricity total amounted of Baht 0.49 million which guaranteed by the Company and the Company's fixed deposit at bank.

36.3.4 The Company has letter of guarantee issued by a local bank for the five advertising contracts in total amount of Baht 3.62 million and for a damage contract in the amount of Baht 2.00 million, which guarantee by the Company's saving account.

## 37. FINANCIAL INSTRUMENTS

### 37.1 Policy to manage financial risk

The Company, its subsidiaries and its joint venture possess risk regarding to the change of market interest rate and in currency exchange rate and from nonperformance of contractual obligations by counter parties. The Company, its subsidiaries and its joint venture will consider to using appropriate financial instruments when it considers necessary to manage such risks. However, the Company, its subsidiaries and its joint venture do not have any policy to hold or issue any financial instruments for speculation or for trading.

### 37.2 Risk on interest rates

The interest rate risk is the risk that may occur from the fluctuation of market interest rates in the future which will affect the operating result and cash flows of the Company, its subsidiaries and its joint venture. The Company, its subsidiaries and its joint venture have exposure to interest rate risk because they hold bank deposits and loans because most of such financial assets and liabilities carry interest rates which fluctuate in line with market rates, which the Company, its subsidiaries and its joint venture have not made any contract to hedge against this kind of risk.

### 37.3 Risk on exchange rates

Regarding risks on exchange rates, the Company, its subsidiaries and its joint venture mainly involved with providing and receiving services in foreign currencies. As at December 31, 2010 and 2009, the Company and its subsidiaries have assets and liabilities in foreign currencies over which the contract to hedge against risk of exchange rates has not been conducted as follows: -

	As at December 31, 2010		As at December 31, 2009	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
	Assets	Assets	Assets	Assets
USD	55,745.97	55,745.97	124,911.68	112,411.68

### 37.4 Risk on credit provision

The Company, its subsidiaries and its joint venture take risk on credit provision concerning trade accounts receivable. However, the Company, its subsidiaries and joint venture have conservative policy on credit provision to new clients and most existing clients are well capable to repay debts and the management of the Company, its subsidiaries and joint venture believe that the appropriated allowance for doubtful accounts will be readily.

### 37.5 Fair value

Since most of the financial assets and liabilities are short-term and loans bearing interest rates closed to market rates, the Company, its subsidiaries and its joint venture's management believes such financial assets and liabilities are presented in value not materially different from relevant fair value.



### 38. CHANGE IN MAJOR SHAREHOLDERS STRUCTURE

On September 30, 2010, BBTV Production Company Limited, the major shareholder of Matching Maximize Solution Public Company Limited, has informed that the company exercised the right to purchase the common shares, from 45,172,500 warrants (MATCH-W2) to 45,172,500 common shares. The major shareholder now holds a total of 148,917,500 common shares, equivalent to 57.94% of the paid up capital of Baht 257,028,807 (257,028,807 common shares; a par value of Baht 1.00). Then, it has to place a tender offer within October 14, 2010. According to the regulation of the Securities and Exchange Commission that states that the bid price should equal weighted average price for 5 trading days prior to the day of exercising the right, on September 23-29, 2010, then the bid offer from this major shareholder should be Baht 2.61 per share and the bid offer for MATCH - W2 warrant should be Baht 1.21 per unit. The period of tender offer is from October 18, 2010 to November 22, 2010 the result of tender offer in the pierced has tendered of 28,535,252 common shares resulting to hold on a total of 177,452,752 common shares and warrant of 34,004,138 units, respectively, equivalent to 68.48% and 13.22%, respectively, based on the paid up capital of Baht 259,143,807 (259,143,807 common shares; par value of Baht 1 per share).

### 39. CAPITAL MANAGEMENT

The primary objective of capital management of the Company, its subsidiaries, and its joint venture is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at December 31, 2010, the Company, its subsidiaries and its joint venture debt-to-equity ratio was 0.40:1 (December 31, 2009: 0.58:1) and the Company's was 0.20:1 (December 31, 2009: 0.33:1).

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### 40. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Company's board of directors on February 25, 2011.

## Other References

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