

2011 Annual Report

Television Program

TV Commercial Production

Cheeze

MMS
MATCHING
MAXIMIZE
SOLUTION PLC.

i ♥ MATCH

รายงานประจำปี 2554

Event Organization Services

Equipment Rental & Services

บริษัท แม็กซิม โซลูชัน จำกัด (มหาชน)
Matching Maximize Solution Public Company Limited

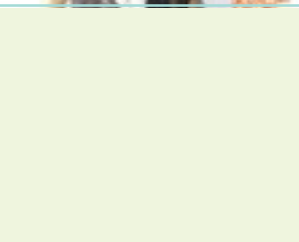
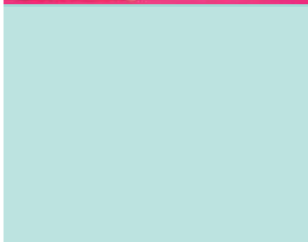
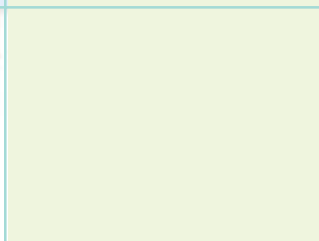
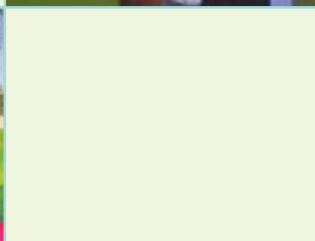
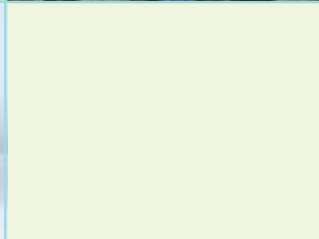
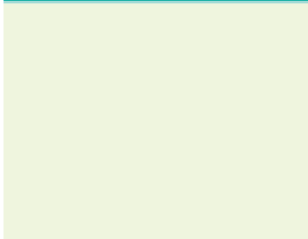
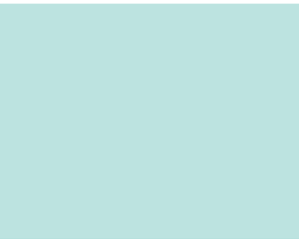
Financial Highlights 2011

(Unit : / Thousand Baht)			
Details	2009	2010	2011
Performance			
Service Revenue	584,811	601,857	525,385
Sales Revenue	48,958	56,694	70,490
Total revenue	637,061	664,152	601,295
Cost of Sales and Service	469,630	438,298	399,198
Selling and Administrative Expenses	147,352	137,090	134,096
Directors and executive remuneration	35,465	35,165	38,132
Doubtful debt (reversal)	1,601	6,746	4,204
Financial cost	5,387	3,984	2,545
Total expenses	660,396	621,283	578,175
Corporate Income tax expenses	5,958	14,863	10,090
Total comprehensive income for the year	(29,293)	28,006	13,030
Financial Status			
Total Assets	560,799	628,549	562,017
Total Liabilities	206,070	179,685	130,840
Shareholders' Equity	354,729	448,864	431,177

Financial Ratios

Details		2009	2010	2011
Liquidity Ratio	(time)	1.71	2.48	2.70
Gross Profit Margin	(%)	25.90	33.45	33.01
Operating Profit Margin	(%)	(2.95)	7.29	4.10
Net Profit Margin	(%)	(4.60)	4.22	2.17
Return on Equity	(%)	(7.70)	6.97	2.96
Debt to Equity Ratio	(time)	0.58	0.40	0.30
Dividend Payout ratio	(%)	76.28	0	21.37
EPS		(0.14)	0.13	0.05

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Message from Board of Director

In 2011 the Thai economy expanded by only 0.1% given that the floods crisis that took place in the late 3Q11 and continued into 4Q11 severely damaged the country's economy as well as the people's assets. As a result, the entire advertising industry expanded by only 3.59% in the year vs. an expansion of 11.83% reported for 2010. Most products and service owners attempted to effectively manage their advertising and marketing budget. They tried to maximize the benefits from spending of their advertising budget. During the flood crisis, many companies decided to delay their spending on advertising and public relation. In stead, they allocated some budget for recovering their businesses. For the case of Matching Maximize Solution Co. Ltd, the Company was also negatively affected by the floods but the impacts were at manageable levels. For the year 2011, the Company booked a total revenue of Baht 601.29 million for a decrease of 9.46% on a year-on-year basis. The TV program production business, equipment rental business, and the printing business generated significantly higher revenue. For example, the Company was hired to produce an additional TV program called "Talob Tang Talad". Moreover, a new "Cheeze Looker" was launched. Hence, the Company and its subsidiaries reported an aggregate net profit of Baht 13.03 million.

For the success in the past year, on behave of the Board of Directors, I would like to thank all shareholders, employees, valued customers, suppliers and all related parties for all their support. I am confident that we will withstand any negative factors and we will continue to be committed to development of our product quality while we will put an emphasis on the good corporate governance that should drive the Company to grow and maximize the returns to its shareholders in sustainable ways.



Mr. Somrit Srithongdee
(Chairman of the Board)

Audit Committee's Report for fiscal year 2011

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. The responsibility of Audit Committee, based on the charter of the Audit Committee, was in compliance with the rule and regulation of the Securities and Exchange Commission of Thailand.

During the year 2011, 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. In the Meetings the following key issues were considered.

- 1. Good Corporate Governance:** The Audit Committee examined whether the Company operated business, based on the good corporate governance practices, through the meetings with the Company's Management and internal auditors. The meetings provided the guidelines of good corporate governance practices as well as creating the same understanding among employees so that they followed the policies. Finally, the Company had kept the good corporate governance principles updated at least once a year in order to ensure that the Company's corporate governance policies were appropriate and in line with the current situation.
- 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 the internal auditors, 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 as the case may be.
- 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 reviewed the 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 operational risks. Examples of such suggestions include the suggestion that internal control officers are given different tasks to review the connected transactions and that the Company provided written handbooks for the employees to follow.
- 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 create the same understanding about the laws and the policies of the Company.

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 meetings with the Management, the internal auditors, and the authorized auditor in order to obtain the information about connected transactions and to prevent possible conflicts of interests.
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 appraised the performance of the authorized auditor of the past fiscal year and considered remunerations, compared with other audit companies. For the year of 2012, the Audit Committee proposed that the Board of Directors appoint PricewaterhouseCoopers ABAS 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.

The Audit Committee was independent in working based on its working scope. In fiscal year 2011 the Audit Committee opined that Matching Maximize Solution Plc. took into account the good corporate governance principles and its financial statement was accurate in according to general audit rules. The Company also disclosed sufficient connected transactions that may have caused conflicts of interests. The authorized auditor and internal control officers independently worked and they followed the laws. Finally, the Company's internal control system was sufficient and appropriate with the situations.



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 to offered TV commercials production services. 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. As of December 31, 2011, the Company's paid up capital amounted to Baht 259.14 million with 92 employees. Including the employees at its subsidiaries, there are 394 employees under the Matching Groups. 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"> Matching Maximize Solution Public Company Limited (formally know 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.
2000	<ul style="list-style-type: none"> The Company increased its registered capital from Baht 1 million to Baht 7 million to support its business expansion.
2002	<ul style="list-style-type: none"> In September, the Company restructured its group of companies. Gear Head Co., Ltd., Matching Entertainment Co., Ltd., and Fatman & 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. 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.
2003	<ul style="list-style-type: none"> In August, the Company had a par split from Baht 5 to Baht 1 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 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.
2004	<ul style="list-style-type: none"> 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.

	<ul style="list-style-type: none"> The paid-up capital of the Company was increased to Baht 207,742,457 for a Private Placement of BBTV 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). In July, Matching Group, led by Matching Broadcast Co., Ltd. (100 percent owned by Matching Maximize Solution Public Company Limited), has expanded the production and management of TV program by establishing Matching Television Co., Ltd.
2005	<ul style="list-style-type: none"> 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. 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 The Company invested in a joint venture with Bangkok Broadcasting & TV Co., Ltd. and BBTV 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.
2006	<ul style="list-style-type: none"> In August, Matching Broadcast Co., Ltd. (100 percent owned by Matching Maximize Solution Public Company Limited.) increased its investment in Matching Television Co., Ltd. from 65 percent to 100 percent in order to boost its management flexibility.
2007	<ul style="list-style-type: none"> 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. 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.
2008	<ul style="list-style-type: none"> In July, Gear Head Co., Ltd. increased capital from Baht 80 million to Baht 130 million in order to support its debt restructuring plans. In July, Matching Entertainment Co., Ltd. increased capital from Baht 10 million to Baht 40 million to support its debt restructuring plans.
2009	<ul style="list-style-type: none"> 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 BBTV 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 103,431,863 units.

- In October, 3 major share holders decided to sell 46 million common shares to BBTV Production Co., Ltd. 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 BBTV Production Co., Ltd. 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 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, BBTV 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, BBTV 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, BBTV 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.

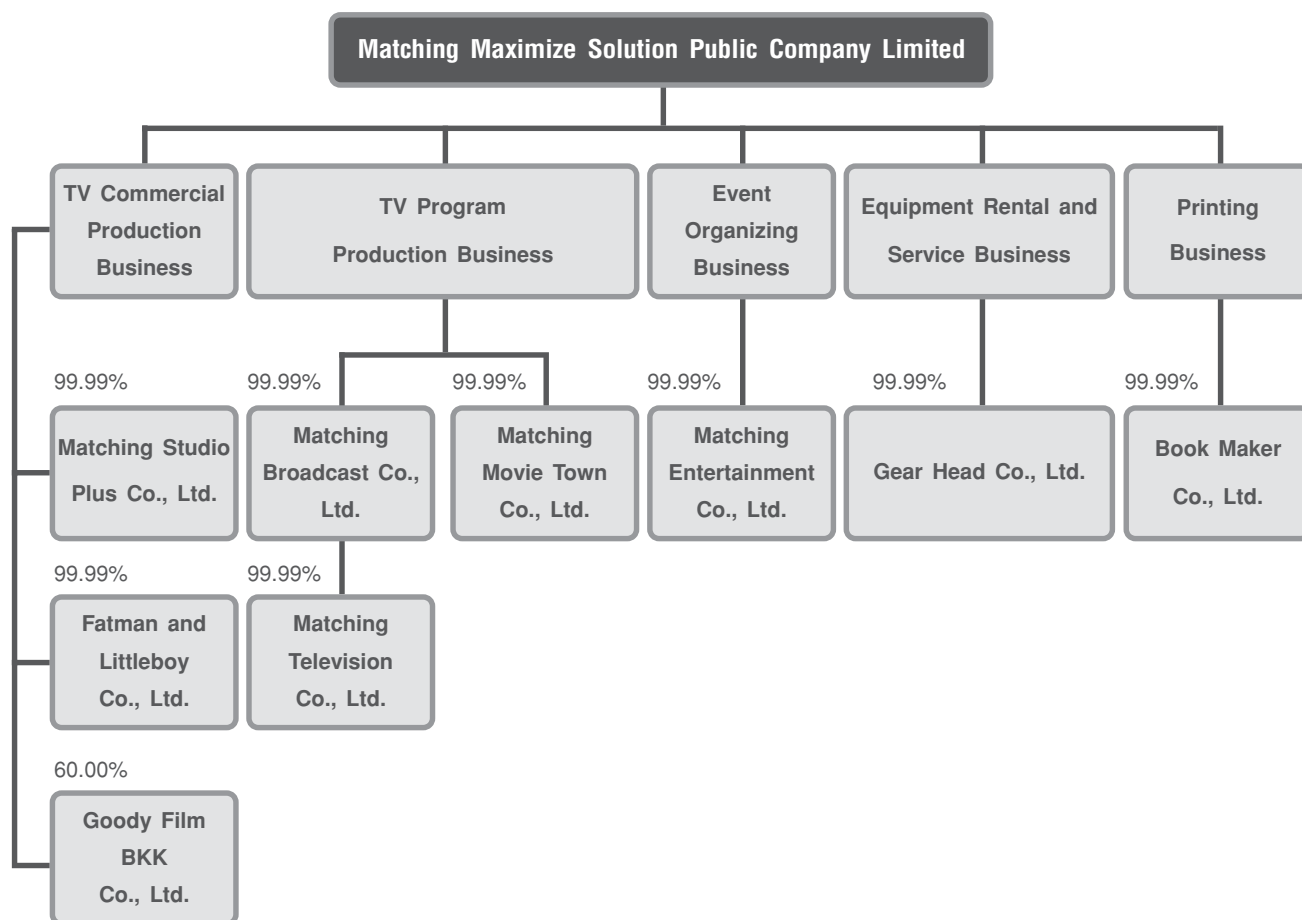
-
- 2011
- In January, the Board of Director Meeting 1/2011 approved the increases of “Strategic Business Unit (SBU) for the TV program production business of Matching Maximize Solution Public Company Limited in order to increase flexibility in operation and management. In addition, the Meeting also approved the capital increase plan for Matching Studio Plus Company Limited (formerly known as Matching Motion Pictures Limited) from the capital of Baht 130,000,000 to Baht 158,000,000. In light of this, about capital increase shares of 280,000 shares were issued at Baht 100, for a total of Baht 28,000,000. These capital increase shares would be offered to existing shareholders. Moreover, the Meeting also considered approving the capital increase plan for Matching Entertainment Co., Ltd. from the existing capital of Baht 40,000,000 to Baht 80,000,000. To elaborate, the Company will issue capital increase shares of 400,000 shares at Baht 100 for a total of Baht 40,000,000. The capital increase shares will be offered to existing shareholders. These capital increase plans aimed to restructure debts and capitals of both companies as appropriate.
 - In February, the Board of Director Meeting 2/2011 approved the registration of the new branch of Matching Maximize Solution Public Company Limited at No. 260 Soi Thonglor 8, Sukhumvit Road, Klongtan Nue, Wattana, Bangkok 10110. This new branch will be used as a setting for its TV programs.
-

Type of Business

Matching Maximize Solution Public Company Limited provides the integrated branding solution services. The Company is also a production house of TV commercials broadcast both nationally and internationally. In addition, the Company also operates TV program production business. Moreover, the Company also offers other integrated services. In 2011 the Company offered the branding solution services for Wacoal , ND Rubber , EGAT, G-Land, 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 two groups, i.e., advertising agencies and product owners (or non-agencies). The Company's well known production of the TV commercials included Lifebuoy, SCB, True Move, Lay, EGAT and etc. In 2011 the Company's own TV programs were "Plod Nee", "Plod Nee on Public Holidays", "Kob Dek Sang Ban" and the program in which the company was hired to produce was "Talob Lang Talad"

The Company had invested in nine subsidiaries in order to fully response to the customers' demand for TV commercial production, equipment rental services, TV series and TV programs production, organizing entertainment activities and printing and publishing. The shareholder's structure as of December 31, 2011 is as follows.

Matching Maximize Solution Group Structure



1. Gear Head Co., Ltd. was established on June 7, 1994. The Company has a current paid up capital of Baht 130.00 million. It operates equipment rental and services business for production of featured films, TV programs and TV commercials. Gear Head Co., Ltd. also provides skilled technicians along with the equipment to provide services for the customers. Gear Head 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 80 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. 0-2243-4124. (the Company has ceased operation now).
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 158.00 million. At first, the Company operated quality featured film production business and production service business for foreign production crews. At present, it provides TV commercial production service. 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 10.00 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 2.00 million. It operates printing business i.e., Cheeze Magazine and Cheeze Looker which feature teenagers' fashion and lifestyles. In 2005, Matching Maximize Solution Plc. owned 100 percent of the paid up capital. The Company is located at No.305/9 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 50.00 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 manages and produce TV programs and manage the airtime of such TV programs. Matching Movie Town Co., Ltd 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 1.00 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. 0-2667-4302.
9. Matching Television Co., Ltd. was established on July 19, 2004. The Company's current paid up capital amounts to Baht 5.00 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

The revenue structure of Matching Maximize Solution Group

The revenue structure of Matching Maximize Solution Group during January 1, 2009 - December 31, 2011 can be categorized as follows:

Type of Business	Operated By	% of Shareholding by the Company	2009		2010		2011	
			Million Baht	%	Million Baht	%	Million Baht	%
TV commercial production	MMS, MSP GF	100 60	270.64	42.48	259.25	39.04	158.71	26.39
TV program production	MB, MT	100	116.01	18.21	125.76	18.94	154.43	25.68
Event and show organizing	ME	100	55.91	8.77	33.77	5.08	31.79	5.29
Equipment rental and services	GH, MMS	100	141.87	22.27	183.08	27.57	180.45	30.01
Product sales revenues	MMS, GH	100	6.73	1.06	7.53	1.13	6.32	1.05
Revenues from sales of magazines and printing	BM	100	42.23	6.63	49.16	7.40	64.17	10.67
Revenues from studio shooting and outdoor media	MT	100	0.38	0.06	-	-	-	-
Other revenues	MMS, ME, FT, GH, MB, MSP, MT, BM, GF, MV	-	3.29	0.52	5.60	0.84	5.42	0.90
Total			637.06	100.00	664.15	100.00	601.29	100.00

Remarks : MMS means the Matching Maximize Solution Plc. BM means the Book Maker Co., Ltd.
 GH means the Gear Head Co., Ltd. MT means the Matching Movie Town Co., Ltd.
 ME means the Matching Entertainment Co., Ltd. GF means the Goody Film BKK Co., Ltd.
 FT means the Fatman and Littleboy Co., Ltd. MV means the Matching Television Co., Ltd.
 MSP means the Matching Studio Plus Co., Ltd. MB means the Matching Broadcast Co., Ltd.

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 its quality and presenting varieties of works in order to ensure the continuous growth in this business. Furthermore, the Company also aims to raise its market share. Meanwhile, the Company had 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



1. Integrated Branding Solution Service

Industry Overview

In 2011, although the Thai economy was affected by various negative factors, including political situations, the global economic slowdown, the advertising spending during the first three quarters of the year increased. This strong advertising spending was made possible by the attempts of the product and services owners to attract customers. These operators were well aware that the consumers just decided to slowdown their spending not that they had some liquidity problems. However, in the final quarter of the year the media and ad spending environment were completely changed by the flood crisis that brought on many serious problems, such as production suspension at various companies, and the negative impacts of the service sector. For this reason, the industry's total ad spending via media channels increased only by 3.59%, which was well below the ad spending growth of +11.83% reported for 2010.

For the year 2011, the total advertising spending in the advertising industry amounted to Baht 104,640 million for a gain of Baht 3,630 million from Baht 101,010 million reported for 2010. The details are shown in the table below.

Advertising spending by types of Media in 2010- 2011

Media	2010		2011		Different	
	Million Baht	%	Million Baht	%	Million Baht	%
Television	60,766	60.16	62,238	59.48	1,472	2.42
Radio	6,116	6.05	5,928	5.67	-188	-3.07
Newspapers	15,000	14.85	14,558	13.91	-442	-2.95
Magazines	5,694	5.64	5,708	5.45	14	0.25
Cinemas	5,987	5.93	7,224	6.90	1,237	20.66
Outdoor	3,849	3.81	4,272	4.08	423	10.99
Transit	2,188	2.17	2,603	2.49	415	18.97
In-Store	1,121	1.11	1,640	1.57	519	46.30
Internet	290	0.29	470	0.45	180	62.07
Total	101,010	100.00	104,640	100.00	3,630	3.59

Source : Nielsen Media Research

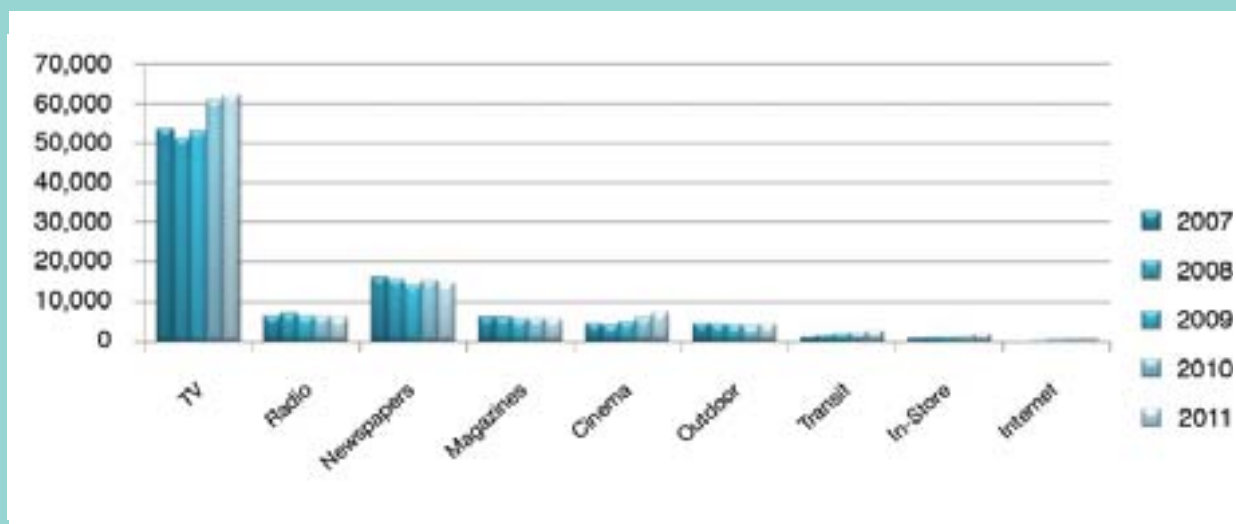
The above table showing the data about advertising spending through different types of media in 2010-2011 was a survey result conducted by Nielsen Media Research in 2011. It can be seen that TV media still captured the highest market share in 2011 with total advertising spending of Baht 62,238 million for a slight gain of 2.42% compared to the previous year. Meanwhile, the advertising via the Internet jumped by 62.07% while the advertising spending via in-store media, transit media and outdoor media grew by 46.30%, 18.97% and 10.99%, respectively. Finally, the cinema media expanded by 20.66% in 2011.



Most product and service owners, as well as advertising agencies, still chose TV as a major means to reach their target customers. As a result, in 2011, the advertising spending via TV channels increased by 14.79% or Baht 1,472 million (source: Nielsen Media Research Center). Apart from TV channels, the Internet was also particularly attractive. The advertising spending via the Internet soared by 62.07% in 2011 and it had continued to become more popular as the Internet was used to promote many product brands through websites and attached commercial clips. In addition, the social media and video clips helped create branded content which can easily and quickly reach target customers. In addition, the cost for advertising in this new form of media was also considerably lower than the others.

Advertising Expenditure by Media in 2010 - 2011

(Unit: Million Baht)

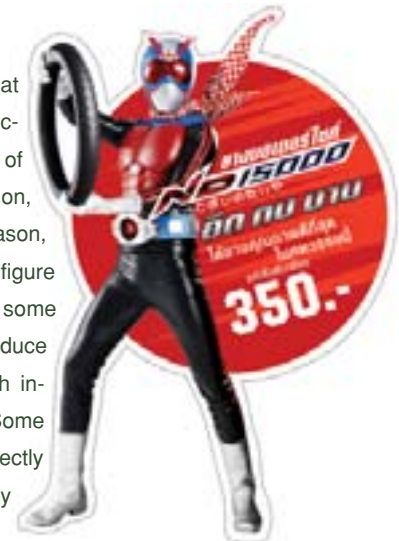


Source : Nielsen Media Research

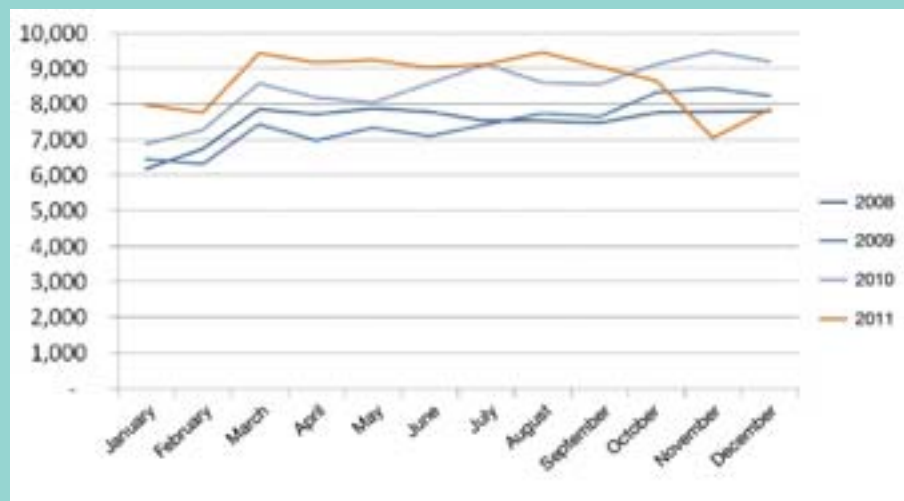


Competition Environment and Marketing Strategies

Although the ad spending slightly increased in 2011, the economic conditions in 2011 that remained prompted customers to either delay their spending or cut budget for TV commercial production to gauge both economic and political situations. In addition, the flood crisis in the final quarter of the year forced commercial advertising producers to inevitably suspend their production. In addition, many operators opted for spending their budget for helping those affected by the flood. For this reason, in the final quarter, which was usually a high season for the advertising industry, the ad spending figure showed a sharp drop which can be seen from the monthly ad spending table below. In addition, some customers decided to reuse their old advertisements which were produced for quite some time to reduce the production cost. Moreover, 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. Finally, the more Internet and Social media were also used to directly reach customers.



Monthly ad spending (Unit: Million)



	January	February	March	April	May	June	July	August	September	October	November	December
2008	6,182	6,745	7,846	7,707	7,881	7,778	7,534	7,524	7,490	7,772	7,791	7,807
2009	6,462	6,323	7,432	6,985	7,324	7,108	7,423	7,738	7,629	8,317	8,437	8,233
2010	6,872	7,247	8,595	8,177	8,038	8,575	9,131	8,601	8,564	9,127	9,489	9,211
2011	7,977	7,759	9,436	9,166	9,238	9,043	9,131	9,462	9,058	8,665	7,042	7,845

Source : Nielsen Media Research

Although customers' expectations for using media channels were different, some parts of different 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 stimulate customers' decision making at the selling points.

The current unfavorable conditions prompted the Company to adjust its business structure to meet customers' demand and to keep up 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. In addition, the Company also adjusted its presentation styles that directly address the customers' needs in order to maximize business opportunities for customers as well as creating good impressions and trust. With this good impression and trust, all parties can maintain good long-term relation. In addition, the Company also emphasized the concept of integrated marketing amongst companies under the group in terms of seeking potential 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 had their own strategic concepts.
2. Local Advertising Agencies: These kind of agencies included both full-service companies and groups of individuals who separated from giant companies before running their own business.

Competitive Strategies for 2011

The Company's strategies for branding solution service business were designed for two major groups of customers 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 both for the same organizations and the new ones.

Later when the marketing environment changed, the company found out that the yearly contracts and the long-term work contracts were still the works that the Company was hired. In other words, this kind of business could not generate revenue in sustainable ways. Hence, the Company had adjusted some strategies in order to generate revenue in sustainable ways.

To elaborate, the Company built content creators for media through various channels, such as TVs and marketing events. These content creators were very skilled with long-time experiences, in terms of commercial ad production and event organization. The created contents can generate revenue from sponsors in the long term.

The Company expected this new strategy to bring about more revenue in sustainable ways. Also, with effective management and professional teams, the Company can cut cost to a certain degree as the Company did not hire too many workers but hired highly-skilled employees who can work effectively. With this new strategy, the Company should also bring about new sources of revenue for other companies under the group.

In the future, Matching Group will continue to enhance the 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 maximize benefits to the shareholders in a sustainable way.





2. TV commercial production business

Industry Overview

In 2011, the Thai economy was negatively affected by various factors, namely the political uncertainty and the global economic slowdown, and the flood crisis. Hence, the budget for TV commercial production in the domestic market declined as operators wanted to wait and see the directions of the country's economy and politics. In addition, many operators opted for spending their budget for helping those affected by the flood. Moreover, some customers decided to reuse their old advertisements which were produced for quite some time to reduce the production cost. Meanwhile, some product owners shifted to use the Internet and tried to promote their products via clips attached to websites and forward mails in order to create branded contents. As a result, the products were quickly and easily recognized by the direct target groups while advertising cost was with significantly lower than typical advertising media channels.

Competition and Marketing Strategies

In 2011, although overall advertising spending did not decrease, 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 production by using short commercials. Some 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. Meanwhile, the Internet media had become more popular. Moreover, some companies opted for smaller production houses to save cost.

The customers' expectation from production and usage of TV commercials for marketing purposes remained the unchanged. In other words, they wanted creative TV commercials that were different from the others. The ideal TV commercials should be able to attract or help change consumers' behaviors and thus stimulating customers to buy products. So, despite the increasing limitations for production houses' work, the main objective remained unchanged. Should a production house become too volatile to the uncertain economy and lower the quality of its work, that production house may lose premium customers. Meanwhile, the Internet media has become so popular and important that production houses cannot ignore.

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. The Company was also well prepared for digital media production in response to the fast growing Internet media. Finally, the Company also increased exposure to the production of branded contents in the social media.

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 three directors e.g., Phenomena, and Film Factoring
2. Medium-sized companies, most of which were newly established with no more than three directors e.g. Arthet ,Triton and many 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 two 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.



3. Equipment rental business

Competition and Marketing Strategies

1. Provide all kinds of equipment as required by customers and all equipment was in good conditions and ready to be used.
2. Highly-skilled technicians were ready to provide services to customers
3. Pricing packages are attractive for customers yet generate revenue at an appropriate level
4. Seek new potential customers while maintaining existing customer base

Industry overview

- TV commercials

The TV commercial industry in the first quarter of 2011 increased from the same period of 2010 by 10%. Then, in the second and the third quarters the industry experienced the typical pattern of seasonal growth. However, in the last quarter of 2011, the severe flooded crisis had negative impacts on all industries including the advertising industry. The number of TV commercial production decreased sharply. The increase number of TV commercial production in December was unable to offset the decline during the flood crisis.

- Foreign films shot in Thailand

Due to the global economic slowdown, foreign customers did not have enough budget to shoot their films in other countries. In addition, the flood crisis in late 2011 damaged many locations and caused difficulty in commuting. For these reasons, customers decided to either cancel their plans to shoot their films in Thailand or postpone to when the situation returned to normal.

Thailand's Film Office, Tourism Development Office, disclosed that in 2011 the number of foreign films shot in Thailand decreased by 47% percent from 49 films to 26 films and that foreign TV commercials increased by 13% year-on-year from 255 commercials to 222 commercials. Finally, India showed the highest figure of films and commercials shot in Thailand, followed by Japan and European countries.

Competition Environment

- Pricing: Due to the imbalance between the numbers of TV commercials and the numbers of equipment renters, the pricing competition was very intense. This resulted in a large number of discounts offered to customers.



- Equipment: Every year new products were launched in the market, especially for the case of digital equipment. Foreign customers tended to choose rental companies that offered new equipment that they were familiar. Hence, the Company had to continue to buy new equipment.
- Customer relation: The Company had regular big customers who produced big films. This big customer base could pave the way for more potential customers.

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

- 1) Light House + Big Eye
 - Pricing competition with the prices offered by Gear Head
 - In early 2011, it bought 4 Arri Alexa cameras that could generate high sales values in 1Q11.
 - Its management was a well known photographer, especially for skin and hair products, so he had many chances to meet potential customers, both domestically and internationally
- 2) Siam Lite + Camera Corner
 - It had a large customer base as it was the first company offering this service
 - Some of its customers were TV drama producers and music video producers whose rental budget was low but who continued to rent equipment on a regular basis.
 - It had good international reputation as it used to work with major foreign film makers.
- 3) Digital camera service provider group
 - It was a branch of Cinerent Hong Kong
 - It had big budget for the purchase of big lots of equipment and the equipment could be circulated within the branches in various countries
 - It offered special prices for digitals in increase its market share in the digital market.
 - It offered big discounted prices in to increase the market share for the budget market.



4. TV Program Production Business



Industry Overview

For the year 2011, 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.

Nielsen Media Research reported that the ad spending in November 2011 amounted to Baht 7,042 million declining by Baht 2.4 billion from Baht 9,489 million in November 2010. The ad spending during January to November 2011 amounted to Baht 96,751 million, for a gain of 5.39%, which was the low point for the year.

Free TV business operators in 2011 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.

In 2011, new digital media had expanded rapidly due to the rapid change in online social network. 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 big 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

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 eleven years in 2011. 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	3	Sunday	15.00 - 17.00 hrs
Thousand Face Game	7	Sunday	12.00 - 13.00 hrs
Suek 12 Rasi	3	Sunday	12.15 - 13.00 hrs
Plod Nee	7	Saturday	14.45 - 15.30 hrs

Source : Nielsen Media Research

Programs broadcast at the time before and after “Plod Nee”

Program	Channel	Broadcast Date	Broadcast Time	Rating
Kadeeded	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

Source : Nielsen Media Research 2552 (note: average rating)

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 2011, 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-aired but it was also able to attract target viewers on the location set. Moreover, in 2011, 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.



5. Business Activity

Policies and the market conditions

Matching Entertainment Company Limited is a player in the business activity market that has continued to grow following growing demand from state and private sectors. The company is committed to development of its organization in response to the changing situation. The company aimed to improve its services to respond to different forms of requests from many customers. The company focused on the development in four areas.

1. Strengthening relationship with customers: The company focused on the services that made it close to the customers. It provided consultancy about effective management of marketing activities
2. Developing technology: The company has developed the equipment as well as marketing materials used in organizing activities in order to keep up with the changing technology and seek opportunities to expand its business.
3. Improving services: The company focuses on one-stop services making it more convenient for customers and they can also save time. Moreover, the company also controls quality in all working processes.
4. Enhancing quality: The quality of work and customers' satisfaction are key marketing strategies. Hence, the company emphasizes on development of its human resources to create high-quality work and maximize customers' satisfaction.

Competition Environment

In early 2011 the competition in this business become more intense due to faster growth in Thai economy. The private sector shifted to 360-degree marketing activities, such as radio spots, TVC, print ads, points of purchase, outdoor media, sampling and road shows, in order to increase frequency and make in more diversified. The company's activities were well accepted by its customers and participants, such as International Firework Show, Miss Thailand Universe Contest, and etc.





Growth outlook

At present, both state and private sectors wanted marketing activities in order to publicize their information as well as reaching their targets. These sectors wanted to maximize the information conveyed and ensure effective communication. In late 2011 the business activity market was hit hard by the flood crisis. For example, customers decided to either postpone or cancel the activities as well as shows.

For 2012 the company will continue to maintain its policy to expand its service base and produce high-quality work. The company will present market activities and advance technology to maximize benefits for customers and to maintain its status as a leading player in this market.

6. Printing Business



Industry Overview

In 2011 Thailand economy was hit hard by the flood crisis in the latter part of the year as well as 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 via the printing media slightly beat the figure reported for 2010.

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 to 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”.

“Looker” magazine managed to expand its 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 60% for Bangkok and 40% 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.

Cheeze Shopping Guide magazines had become very popular as it was attached to month Cheeze magazines. Hence, Cheeze Shopping Guide could be distributed to customers nationwide. For the separated free copies were distributed to readers and customers by the Company’s teams who could directly reach reader ad customer groups as the two groups were at the same shopping spots.

Meanwhile, the new magazine “Looker” made a good start as it also benefited from strong sales volume of Cheeze magazine. This strategy helped the company to distribute this new magazine nationwide and directly reach reader and customer groups as both groups were at the same shopping point. The distribution portion stood at 70% for Bangkok and 30% for the rest of the country. This magazine presented the new phenomenon for men fashion magazines and it was well accepted by those in the fashion industry. “Looker” magazine was different than other men magazines and the company continues to organize activities to strengthen relationship with those from the fashion industry, such as small parties where famous people in the entertainment industry were invited, and the launches of “Looker” booths in events.

- Pricing strategy

Big packs were offered to long-term customers who had good relation with the company and liked the Company’s magazines, such as customers in CMG, The Mall group, and etc.





7. Online Business 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. The volume of online shopping also continued to increase, as evidenced by increasing numbers of websites for online shopping, both domestically and internationally. In addition, commercial pages in Facebook had become more and more popular as sellers could make the advertisement by themselves without any cost and buyers had more choices and earlier bought products. This new trend may be due in part to the high speed and convenience of the internet media as it could help save time and transportation cost as well as allowing consumers to buy products at home and to buy products available in far shops or from overseas. For this reason, online media became more and more attractive than other media types and enjoyed advantages that other media types could not compete.

Competition Environment

The competition in the online business was very intensified, which in turn provided consumers with a wide 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 Magazine. 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.

Event Organization Business

The Company provided event organization services for target groups with different styles and objectives.

- **Customer groups**

1. Agency companies: Advertising companies that introduced customers who owned products
2. Direct customers: Companies or shops that wanted to promote or advertise their own products

- **Target groups**

1. Readers of Cheeze and Looker magazines
2. General interested people



8. Double Cheese TV program production

Industry Overview

The global economy was negatively impacted by various natural crises. The tsunami That hit Japan whose industrial base was in Thailand. However, the advertising spending via TV channels showed a record high in early 2011. All free TV channels but NBT reported the record highs of their advertising spending thanks to the hikes in their advertising rates for many programs as well as the increases in their utilization rates. However, in the second half of the year many provinces in Thailand, especially Bangkok, were severely flooded. The floods had a negative impact on various industries as well as the advertising industry who saw a drop in advertising spending via TV channels during the same period.

Competition Environment

The competition in the TV media industry remained intense. In addition to free TV channels, the number of cable TV channels continued to increase. The Company's competitors had more superior equipment and personnel with more expertise. However, in terms of contents, Double Cheese TV remained distinguish in the market.



Risk Factors

- **Business factors**

1. **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. The Company need see risks from various aspects. For example, when the subleasing contract expires, the TV station can decide whether to continue or to discontinue the subleasing contracts. If the TV station decides to discontinue, the Company will have to look for an airtime at other channels. In addition, if the TV station decides to revise the contents of the contracts, such as hiking the rates, lowering revenue sharing, and reducing advertising time, then this will have negative impacts on the Company's revenue. Moreover, if the TV station decides to reshuffle its program plans in order to maintain the level of its market share or ratings, then this will also have a negative impact on the Company as well. Note that in 2011 the revenue earned by the TV program production business accounted for 25.68% of its total revenue. If the Company were to lose revenue from this business, then this would have a negative impact on the Company's bottom line.

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 directly attract a wide variety of viewers and to suit the consumers and the airtime.

2. **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. Its TV program has become more and more popular. In addition, the Company also continued to develop various areas of services and systems to support the trendy online media, which should help reach the targeted consumers whose life styles are blended with various kinds of online media.

3. **Impacts of floods**

The floods in late 2011 did not have a direct impact on the Company as the Company's offices were not flooded. However, the Company was well prepared both to prevent and to solve problems in order to minimize risks that might occur. For example, the Company produced some tapes of the TV programs in advance and in case there were some problems in its studio the production team was ready to shift to other

locations. As a result, during the flood crisis, the Company did not lack the program tapes for broadcasting. As for its equipment rental service, the Company was so well prepared that it did not have any problems about rental equipment and personnel at all. Finally, the Company also used some prepared equipment to help those who had been impacted by the floods.

- **Management factors**

- 4. Risk of dependence on human resource**

The equipment rental business is a specialized business that relies heavily on skillful and experienced personnel. Thus, specialized personnel and advanced equipment were two keys to business success. If the Company lacked either of these two keys, it would be very difficult for the Company to remain competitive.

Fully realizing the importance of such human resources, the Company focused on human resource development by providing training to enhance its employees' efficiency. In addition, the Company also attempted to improve the personalities and disciplines of its employees and made sure that they were always available to work. The Company also continued to recruit new staff members and develop their skills. Meanwhile, the Company also tried to strengthen the team work and create work motivation by offering attractive remuneration packages. The Company also allowed high potential employees to participate in the management. It is worth highlighting that the key personnel of this business is also one of the Company's major shareholder who is committed to development of work and work quality on a continuous basis, which can be seen from the work that was impressed by the customers who eventually become the Company's regular customers.

- 5. 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 % 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 April 11, 2011, the Company's top ten shareholders were as follows:

Name of Shareholders	No. of Shares	% of Paid-up Share Capital
1. The BBTV Productions Co., Ltd.	177,452,752	68.48 %
2. The Sasinmanop Group*	13,986,993	5.40 %
3. The Cheewasutthanon Group**	13,370,321	5.16 %
4. Mr.Panumas Mongkholtthrapya	13,019,200	5.02 %
5. Miss Poranee Ketkintha	9,000,000	3.47 %
6. Mr.Chatchavan Piyapraphanphong	8,053,600	3.11 %
7. Mr.Ekkalak Bunsirirungruang	2,135,400	0.82 %
8. Mr. Kriengkrai Rukkulchon	1,634,500	0.63 %
9. Mr.Prasit Rakthaisanthavee	1,285,000	0.50 %
10. Thai NVDR Co., Ltd.	762,570	0.29 %
Total	240,700,336	92.88 %

Shareholders of BBTV Productions

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

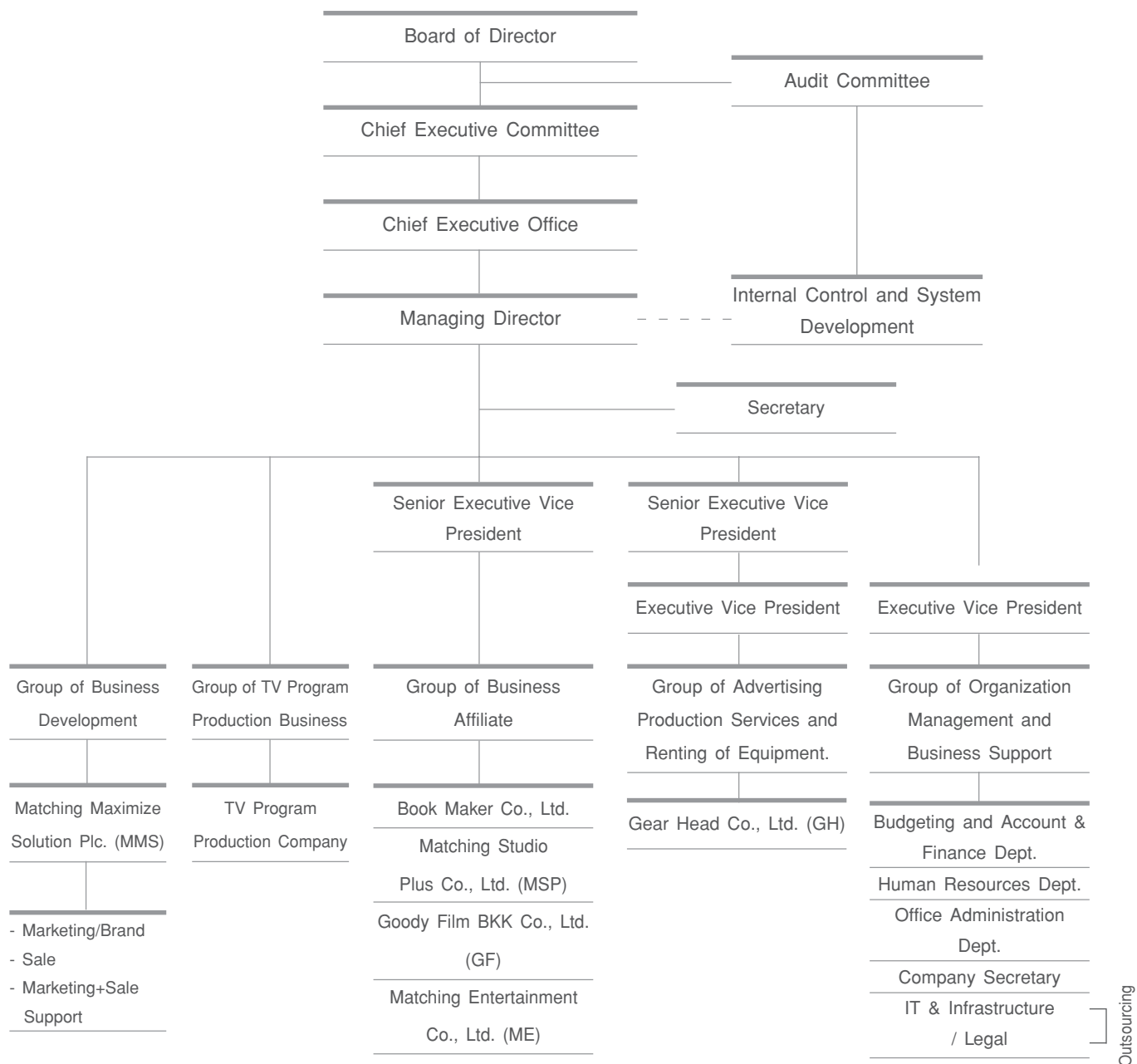
1.	Mr.Somchai Cheewasutthanon	holds	12,064,683	shares or	4.66%
2.	Mr.Somboon Cheewasutthanon	holds	359,783	shares or	0.14%
3.	Ms.Supaphun Cheewasutthanon	holds	155,855	shares or	0.06 %
4.	Mr.Somphon Cheewasutthanon	holds	130,000	shares or	0.05 %
5.	Mrs.Prantharee Cheewasutthanon	holds	660,000	shares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

Dividend Policy

The Company's policy is to pay dividend every year at approximately 40% of net profit in the case that there is no other necessary reason to use this amount of money. The amount of dividend paid must not significantly affect the Company's normal business operation. As for its subsidiaries, the dividend policy depends on the performance and the needs for capital of each subsidiary.

The management structure

Company Organization Chart



The Management Structure

The Management structure composed of three 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, 2011, the Board of Directors comprised of the following nine members:

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

* Representatives of BBTV Productions Co., Ltd.

¹⁾ On November 24, 2011 the Board of Director's meeting approved the changes in positions. The Meeting appointed Mr. Somchai Cheewasutthanon to be Chief Executive Officer and Mr. Somboon Cheewasutthanon to be Managing Director (Acting)

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 May 12, 2010, the Board of Directors appointed 1 Director and Audit Committee.
 - In the Board of Directors' meeting No 6/2011 on June 24, 2011, the Boards of Directors and the Audit Committee approved the charger for the Audit Commtee and the charge for internal control department. The chargers were to be reviewed at least once a year.
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, 2011, the Executive Committee comprised of the following five members:

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

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 two additional members of Executive Committee, lifting the total to five members.



- In the Board of Directors' meeting No. 7/2011 on July 22, 2011, the Board of Directors had a resolution to approve the charter for Executive Committee.

Scope of duties and authorities of the Executive Committee

- Propose to the Board of Directors to consider approving the following
 - Goals
 - Business Policies
 - Business Plans
 - Business strategies
 - Management control
 - Annual budget
 - Risk management policies
 - Scope, authority and responsibilities of managing directors
 - Other matters that may have significant impacts on the company's operation
 - Other matters that are deemed important to seek approvals as specified by the Company's rules
- To ensure that the Company's operations are in line with the Company's business policies, business plans as well as business strategies approved by the company's directors.
- To control and oversee the Company's business policies, business strategies and earnings performance of the subsidiaries.
- 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 20,000,000 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.
- To approve the liquidity management for such transactions as deposits, B/Es, government bonds, mutual funds for the amount not exceeding Baht 30,000,000 million. In addition, the Executive Committee is also in charge of review financial transactions done by the financial management department.
- To set the Company's management structure including the recruitment, training, the hiring of staff and the termination of the employees.
- To consider investment in projects or securities or joint venture deals as approved by the Company's directors.
- 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, 2011, the Audit Committee comprised the following three members who were independent directors as the following details:

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

The Audit Committee arranged five regular meetings in 2011 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 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.

- a) Matters involving conflicts of interests.
 - b) Corruptions or unusual matters about the internal audit system
 - c) 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 the 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.

The Management

As of December 31, 2011, the Management comprised the following seven members:

1.	Mr. Somchai	Cheewasutthanon	Chief Executive Officer
2.	Mr. Somboon	Cheewasutthanon ¹⁾	Managing Director (Acting) and Senior Executive Vice President
3.	Mr. Thanisaphong	Sasinmanop	Senior Executive Vice President
			Advertising Production Service and Renting of Equipment
4.	Mrs. Siripen	Sasinmanop ²⁾	Executive Vice President
			Advertising Production Service and Renting of Equipment
5.	Mr. Wiroj	Bunsirungruang	Executive Vice President
			Organization Management and Business Support
6.	Mrs. Ladawan	Khumsap	Vice President of Accounting,
			Financial and Budgeting Group Company
7.	Mr. Adtachai	Kitiwattananukroj	Vice President of Accounting and Finance Department

¹⁾ Mr. Somboon Cheewasutthanon was appointed as Managing Director (Acting) on November 24, 2011.

²⁾ Mrs. Siripen Sasinmanop was appointed as Executive Vice President on November 24, 2011.

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 2011 Shareholder General Meeting on April 28, 2011 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
Directors	Baht 20,000
Executive Committee Members	Baht 10,000
Audit Committee	Baht 20,000

Note that the Company's Executive Committee consisted five members who also were directors. They were paid the remuneration as directors as well. Moreover, the Audit Committee members were also paid director remuneration.

Financial Remuneration

A. Remuneration for the Board of Directors

Name			Position	Amount of Remuneration		
				2009	2010	2011
1.	Mr.Somrit	Srithongdee ¹⁾	Chairman of the Board	-	320,000	480,000
2.	Mr.Somchai	Cheewasutthanon ²⁾	Director and Chief Executive Officer	180,000	220,000	330,000
3.	Mr.Akarat	Na Ranong ¹⁾	Chairman of the Audit Committee	-	320,000	480,000
4.	Mr.Nuttawut	Phowborom ³⁾	Director of Audit Committee and Independent Director	-	160,000	330,000
5.	Mr.Kamol	Ratanachai ⁴⁾	Director of Audit Committee and Independent Director	-	20,000	330,000
6.	Mr.Pattanapong	Nuphan	Director and Executive Committee	180,000	220,000	330,000
7.	Mrs.Watchanee	Watanathawanwong	Director and Executive Committee	180,000	220,000	330,000
8.	Mrs.Siripen	Sasinmanop	Director and Executive Committee	180,000	220,000	330,000
9.	Mr.Chakrapun	Leelamasavat	Director and Executive Committee	120,000	220,000	330,000
10.	Prof.Suphachai	Phisitvanich ^{1)*}		720,000	240,000	-
11.	Pol.Lt.Gen. Thummanit	Pitaneelaboot ^{5)*}		480,000	160,000	-
12.	Mrs.Angoon	Kamolayabutr ^{6)*}		480,000	160,000	-
13.	Mr.Wichen	Yongrattanakij ^{7)*}		30,000	-	-
14.	Pol.Lt.Gen. Somyot	Poonpanmoung ^{8)*}		-	80,000	-
15.	Mr.Somboon	Cheewasutthanon ^{9)*}		180,000	45,000	-
16.	Mr.Wiroj	Bunsirirungruang ^{10)*}		180,000	45,000	-
Total				2,910,000	2,650,000	3,270,000

Note: * Lists of those who were no longer in hold the positions as of December 31, 2011

¹⁾ 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.

- ²⁾ Mr. Somchai Cheewasutthanon was appointed as Chief Executive Officer on November 24, 2011.
- ³⁾ Mr. Nuttawut Phowborom took up his post on May 6, 2010.
- ⁴⁾ Mr. Kamol Ratanachai took up his post as the Director and Audit Committee on November 12, 2010
- ⁵⁾ Pol.Lt.Gen.Thummanit Pitaneelaboot resigned on May 1, 2010.
- ⁶⁾ Mrs. Angoon Kamolyabutr resigned on April 28, 2010.
- ⁷⁾ Mr. Wichean Yongrattanakij resigned on March 4, 2009
- ⁸⁾ 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
- ⁹⁾ Mr.Somboon Cheewasutthanon resigned from the Director on March 18, 2010 but remained in the position of Senior Executive Vice President and on November 24, 2011 he took up the post as acting Managing Director
- ¹⁰⁾ Mr. Wiroj Bunsirungruang resigned from the Director on March 18, 2010 but remained in the position of Executive Vice President and Secretary the Company.

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 Baht 32.56 million in 2009 and Baht 32.52 million in 2010, respectively. Finally, in 2011 the Company and its subsidiaries paid the remuneration totaling Baht 34.91 million

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.

Detail of the Board of director, the Executives and the Authorized Persons as of December 31, 2011

Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
Mr. Somrit Srihongdee Age 62 years old Chairman of the Board (Director whose signature can Bind the Company)	None	<ul style="list-style-type: none"> - Master's Degree of Public Administration, Chulalongkorn University - Bachelor's Degree of Sociology & Anthropology, Chiangmai University - Certificate, Director Certifications Program (DCP), Thai Institute of Directors Association (IOD) - Mini Master of Business Administration, Thammasat University Financial Statements for, Thai Institute of Directors Association (IOD) - Certificate, Role of the Compensation Committee, Thai Institute of Directors Association (IOD) 	-	2010-Present	- Chairman of the Board of Directors	- Matching Maximize Solution Plc.
					- Chairman of the Board of Directors	- 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. (Channel 7)
				2009-Present	- Independent Director and Audit Committee	- Eastern Star Real Estate Plc.
				2010	- Senior Consultant - Human Resources	- Bank of Ayudhya Plc.
				2008-2009	- First Executive Vice President-Special Project Human Resource	
				2007-2008	- Head of Human Resources, Secretary to Nomination and Compensation Committee	
				2002-2010	- 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
Mr. Somboon Cheewasutthanon Age 45 years old Managing Director (Acting) and Senior Executive Vice President (Mr. Somboon Cheewasutthanon was appointed to the Managing Director and the Chairman of Executive Committee on February 24, 2012)	Younger Brother of Mr. Somchai Cheewasutthanon	- Bachelor of Accountancy - Finance University of the Thai Chamber of Commerce - Certificate, Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) - Certificate, Director Certifications Program (DCP), Thai Institute of Directors Association (IOD)	0.14	Feb 2012-Present	- Managing Director	- Matching Maximize Solution Plc.
				Nov 2011-Feb 2012	- Managing Director (Acting) - Senior Executive Vice President	
				Mar 2010-Nov 2011	- Senior Executive Vice President (Production Group)	
				2002-Mar 2010	- Director - Senior Executive Vice President (Production Group)	
				2006-Sep 2008	- 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.
				2002-Present	- 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.

Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
Mr. Akarat Na Ranong Age 58 years old Chairman of the Audit Committee and Independent Director	None	<ul style="list-style-type: 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) - Certificate, Capital Market Academy Leadership Program, Class 6 	-	2011-Present	- Director of Audit Committee and Independent Director	- FINANSA Public Co., Ltd.
					- Director of Audit Committee and Independent Director	- FINANSA Securities Co., Ltd.
					- Director of Audit Committee and Independent Director	- FINANSA Asset Management Co., Ltd.
					- Lecturer	- College of Music / Mahidol University
				2010-Present	- Chairman of the Audit Committee and Independent Director	- Matching Maximize Solution Plc.
				2010-2011	- Associate Dean for Resources Development	- College of Music / Mahidol University
				2001-Present	- Independent Director	- Krungthai Card Public Co.,Ltd.
					- Audit Committee	
					- Nominating and Remuneration Committee	
				1996-2009	- President	- TSFC Securities Limited
				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
Mr. Nuttawut Phowborom Age 48 years old Director of Audit Committee and Independent Director	None	<ul style="list-style-type: none"> - Master of Business Administration (MBA) General Management, City University, Seattle, WA. U.S.A. - Bachelor Degree of Economics, The University of the Thai Chamber of Commerce, Bangkok Thailand - 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) 	-	Present	<ul style="list-style-type: none"> - Director of Audit Committee and Independent Director - Director of Audit Committee and Independent Director - Director - Chief Financial Officer - Audit Committee and Chairman Of the Remuneration Committee - Executive Director - Chief Operation Officer 	<ul style="list-style-type: none"> - Matching Maximize Solution Plc. - Asia Aviation Plc. - Thai Air Asia Co., Ltd. - KPN Group Corporation Co., Ltd. - Prasit Pattana Plc. - Phayathai Hospital 1,2,3 - KPN Music Co., Ltd. - KPN Group Corporation Co., Ltd.
				2006-2010		

Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
Mr. Kamol Ratanachai Age 45 years old Director of Audit Committee and Independent Director	None	<ul style="list-style-type: none"> - Master of Business Administration (MBA), Bangkok University - Bachelor Degree of Accounting, Bangkok University - Certified Internal Auditor (CIA), The Institute of Internal Auditor USA - Certificate, Directors Accreditation Program (DAP), Thai Institute of Directors Association (IOD) - Certificate, Audit Committee Program (ACP), Thai Institute of Directors Association (IOD) 	-	2011-Present	- Director of Audit Committee and Independent Director	- Eastern Printing Plc.
				2010-Present	- Independent Director	- Sriracha Construction Plc.
					- Director of Audit Committee and Independent Director	- Matching Maximize Solution Plc.
				2001-2009	- Vice President, Head of Internal Audit	- Secondary Mortgage Corporation
					- Vice President, Head of Internal Audit	- TSFC Securities Plc.
Mr. Pattanapong Nuphan Age 46 years old Director and Executive Committee (Director whose signature can Bind the Company)	None	<ul style="list-style-type: none"> - MA in Sociology, Thammasat University - Certificate, Directors Accreditation Program (DAP), Thai Institute of Directors Association (IOD) - Certificate, Director Certifications Program (DCP), Thai Institute of Directors Association (IOD) - Diploma in Banking & Finance, Young Banker Executive Development Program The Thai Bankers' Association 	-	May 2009-Present	- Director	- BBTV New Media Co., Ltd.
				Feb 2008-Present	- Director and Executive Committee	- Matching Maximize Solution Plc.
				Dec 2011-Present	- Senior Manager and Acting Human Resource Manager	- Bangkok Broadcasting & TV Co., Ltd.
				Oct 2010- Dec 2011	- Senior Manager	
				Sep 2008- Sep 2010	- Senior Manager and Acting Manager to office of the Chairman	

Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
Mrs. Watchanee Watanathanwong Age 58 years old Director and Executive Committee (Director whose signature can Bind the Company)	None	<ul style="list-style-type: none"> - Master of Business Administration Chulalongkorn University - Certified Public Accountant - Bachelor Degree of Accountancy Chulalongkorn University - Certificate, Director Certification Program (DCP), Thai Institute of Directors Association (IOD) 	0.02	2006-Present	- Director and Executive Committee	- Matching Maximize Solution Plc.
				2005-Present	- Director	- V.I.P. Passport Plc.
				1999-Present	- Director/ Member of Audit Committee	- O.C.C. Plc.
Mr. Chakrapun Leelamasavat Age 36 years old Director and Executive Committee (Director whose signature can Bind the Company)	None	<ul style="list-style-type: none"> - Master of Business Administration, Financial Management California State University, San Bernardino - Business Administration, Information Technology Management California State University, San Bernardino - Certificate, Directors Accreditation Program (DAP), Thai Institute of Directors Association (IOD) - Certificate, Director Certifications Program (DCP), 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.
					- Business Director	- M Interaction (Mindshare / Group M)
				May 2004-July 2006	- Business Development Manager / Production Manager	- Siam 2 You Plc.

Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
Mrs. Siripen Sasinmanop Age 57 years old Director and Executive Committee (Director whose signature can Bind the Company)	Wife of Mr. Thanisaphong Sasinmanop	<ul style="list-style-type: none"> - Management Development Program Thammasat University - Certificate, Directors Accreditation Program (DAP), Thai Institute of Directors Association (IOD) - Certificate, Director Certifications Program (DCP), 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.
				Nov. 2011-Present	- Executive Vice President Advertising Production Services and Renting of Equipment	- Matching Maximize Solution Plc.
				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
Mr. Thanisaphong Sasinmanop Age 54 years old Senior Executive Vice President Advertising Production Services and Renting of Equipment	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	Nov 2011-Present	- Senior Executive Vice President Advertising Production Services and Renting of Equipment	- Matching Maximize Solution Plc.
				2010-Nov 2011	- Senior Executive Vice President (Production Group)	
				2002-2010	- Director and Senior Executive Vice President (Production Group)	
				2003-Present	- Director	- Matching Movie Town Co., Ltd.
				2002-Present	- 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.

Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
Mr. Somchai Cheewasutthananon Age 47 years old Chief Executive Officer ((Mr. Somchai Cheewasutthananon was appointed to the Chairman of In-house Counsel for Business Development on February 24, 2012)	Elder brother of Mr. Somboon Cheewasutthananon	- Honorary degree of Business Administration, Marketing, Rajamangala University of Technology Phra Nakhon - Director Accreditation Program (DAP), Thai Institute of directors Association (IOD) - Certificate, Director Certifications Program (DCP), Thai Institute of Directors Association (IOD)	4.66	2010-Jun.2011	- Executive Director	- Aroi Tua Lar Fah Din Co., Ltd.
				2007-2010	- 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.
				Feb.2012-Present	- The Chairman of In-house Counsel for Business	- Matching Maximize Solution Plc.
				Nov.2011- Feb.2012	- Director and Chief Executive Officer	
				2002-Oct. 2011	- Director and Managing Director	
				2002-Present	- 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.

Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
Mr. Wiroj Bunsirungruang Age 44 years old Executive Vice President Organization Management and Business Support and Secretary the Company	None	<ul style="list-style-type: none"> - Master of Accounting Thammasat University - Bachelor of Accounting Dhurakij Pundit University - Certificate, Director Accreditation Program (DAP) Thai Institute of Directors Association (IOD) - Certificate, Director Certifications Program (DCP) ,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.
				Nov.2011-Present	- Executive Vice President Organization Management and Business Support - Secretary the Company	- Matching Maximize Solution Plc.
				Mar. 2010-Nov. 2011	- Executive Vice President Accounting and Financial Department and Operation - Secretary the Company	
				2002-Mar. 2010	- Director and Executive Vice President Accounting and Financial Department- Operation	
				1997-2002	- Vice President Accounting and Financial Department	- Quality House Plc.

Name-Last Name / Age (years) / Position	Relationship with the Executive	Education	Percentage of Shareholding	Working Experience (5 years)		
				Period	Position	Company
Mrs. Ladawan Khumsap Age 44 years old Vice President of Accounting, Financial and Budgeting Group Company	None	- Master of Accounting Thammasat University - Bachelor of Accounting Ramkhamhaeng University	0.04	2005-Present	- Vice President of Accounting Financial And Budgeting Group Company	- Matching Maximize Solution Plc.
				2003-2004	- Senior Accountant	
				2001-2002	- Assistant Vice President of Accounting and Financial Department	- Quality House Plc.
Mr. Adtchai Kittiwattananukroj Age 38 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	- Matching Maximize Solution Plc
				2004-2007	- Manager of Accounting and Finance	- Matching Entertainment Co., Ltd
				2000-2004	- Vice President of Accounting and Financial Department	- Quality House Plc.

Corporate Governance

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, enhance its competitiveness 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 well 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.

The good corporate governance principles for the Company's Board of Directors, management and employees can use as reference are discussed below.

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 four months, after the end of the fiscal year. In 2011, the Company held the Shareholder Annual General Meeting on April, 28, 2011, 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 Shareholder Annual General 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 seven days prior to the meetings so that the shareholders had 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 three consecutive days at least three 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 a Shareholder Annual General 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 statements of financial position and statements of comprehensive income
- 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, except for the case that is required by the law

Rights of other stakeholders

The Company was determined to treat other stakeholders fairly and ethically in order to ensure good relationship with others in doing business. Other stakeholders included management and employees, customers, business partners, creditors, competitors, related government agencies, the society. The Company did not give particular favor to particular people nor treat some people in unfair ways. The Company did not treat other stakeholders based on the personal relation. In addition, the Company treated other stakeholders regardless of their nationalities, races, religion or gender. In particular, the Company put a great emphasis in responsibilities to the society and communities. The Company's major duty to the society was to create and support activities that were useful to the communities and society. By contrast, the Company did not do or support any activities that were either against the law or damaged the image of the country, the natural resources and environment and the actions that might threaten the society and the country's security.

Responsibilities of Board 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. The Company's Board of Directors appointed the audit committee to strengthen the Company's internal control system and ensure sufficient and appropriate good corporate governance practices.

In 2011 the Company fully realized the importance of good corporate governance and the continuation in personnel development. Four members of Company's directors completed the Director Certification Program (DCP).

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 set the Code of ethical Business for directors and employees to follow

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 seven days prior to the scheduled meetings to ensure that the directors had adequate time to consider the information. Normally, each meeting took not less than two hours. In each meeting, the Chairman of the meeting allowed each director to freely express his/her opinions. During the year 2011, the meeting details of Company's Board of Directors and of two other Committees, i.e. Executive Committee and Audit Committee, were clearly disclosed. During the same year, there were 12 Board of Directors' meetings, 13 Executive Committee meetings and five Internal Audit Committee meetings. The details of each director's attendance are shown in the following table.

Names				Number of time attending the meeting /		
				Number of the meeting eligible		
				to attend (time)		
				Board of	Executive	Internal Audit
				Director	Committee	Committee
1.	Mr.Somrit	Srithongdee	Chairman of the Board	12/12	-	-
2.	Mr.Somchai	Cheewasutthanon ¹⁾	Director and			
			Chief executive officer	10/12	11/13	-
3.	Mr.Akarat	Na Ranong	Independent Director and			
			Chairman of the Audit			
			Committee	10/12	-	5/5
4.	Mr.Nuttawut	Phowborom	Independent Director and			
			Audit Committee	11/12	-	5/5
5.	Mr.Kamol	Ratanachai	Independent Director and			
			Audit Committee	12/12	-	5/5
6.	Mr.Pattanapong	Nuphan	Director and			
			Executive Committee	11/12	11/13	-
7.	Mrs.Watchanee	Watanathawanwong	Director and			
			Executive Committee	12/12	13/13	-
8.	Mrs.Siripen	Sasinmanop	Director and			
			Executive Committee	11/12	12/13	-
9.	Mr.Chakrapun	Leelamasavat	Director and			
			Executive Committee	12/12	12/13	-

Note: ¹⁾ Mr. Somchai Cheewasutthanon was appointed as Chief executive officer on November 24, 2011.

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:

1. Executive Committee

1.	Mr.Somchai	Cheewasutthanon	Chief executive officer
2.	Mr.Pattanapong	Nuphan	Executive Committee
3.	Mrs.Watchanee	Watanathawanwong	Executive Committee
4.	Mrs.Siripen	Sasinmanop	Executive Committee
5.	Mr.Chakrapun	Leelamasavat	Executive Committee

Scope of duties and authorities of the Executive Committee

1. Propose to the Board of Directors to consider approving the following
 - a) Goals
 - b) Business plans
 - c) Business strategies
 - d) Management control
 - e) Annual budget
 - f) Risk management policies
 - g) Scope, authority and responsibilities of managing directors
 - h) Other matters that may have significant impacts on the company's operation
 - i) Other matters that are deemed important to seek approvals as specified by the Company's rules
2. To ensure that the Company's operations are in line with the Company's business policies, business plans as well as business strategies approved by the company's directors.
3. To control and oversee the Company's business policies, business strategies and earnings performance of the subsidiaries.
4. 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 20,000,000 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.
5. To approve the liquidity management for such transactions as deposits, B/Es, government bonds, mutual funds for the amount not exceeding Baht 30,000,000 million. In addition, the Executive Committee is also in charge of review financial transactions done by the financial management department.
6. To set the Company's management structure including the recruitment, training, the hiring of staff and the termination of the employees.
7. To consider investment in projects or securities or joint venture deals as approved by the Company's directors.
8. 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.

The Audit Committee

There were three 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 three independent directors to be the members of the Audit Committee. At least one of the three 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 three 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 once 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.
 - a) Matters involving conflicts of interests.
 - b) Corruptions or unusual matters about the internal audit system
 - c) 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 the 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.

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 2011. 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.

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, 2011, the directors' structure of the Company comprised three 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 three directors, out of nine 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 2011 Shareholder Annual Meeting on April 28, 2011 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
Directors	Baht 20,000
Executive Committee Members	Baht 10,000
Audit Committee	Baht 10,000

Note that the Company's Executive Committee consisted five members who also were directors. They were paid the remuneration as directors as well. Moreover, the Audit Committee members were also paid director remuneration.

Financial Remuneration

A. Remuneration for the Board of Directors

Name			Position	Amount of Remuneration		
				2009	2010	2011
1.	Mr.Somrit	Srithongdee ¹⁾	Chairman of the Board	-	320,000	480,000
2.	Mr.Somchai	Cheewasutthanon ²⁾	Director and Chief executive officer	180,000	220,000	330,000
3.	Mr.Akarat	Na Ranong ¹⁾	Chairman of the Audit Committee	-	320,000	480,000
4.	Mr.Nuttawut	Phowborom ³⁾	Independent Director and Audit Committee	-	160,000	330,000
5.	Mr.Kamol	Ratanachai ⁴⁾	Independent Director and Audit Committee	-	20,000	330,000
6.	Mr.Pattanapong	Nuphan	Director and Executive Committee	180,000	220,000	330,000
7.	Mrs.Watchanee	Watanathawanwong	Director and Executive Committee	180,000	220,000	330,000
8.	Mrs.Siripen	Sasinmanop	Director and Executive Committee	180,000	220,000	330,000
9.	Mr.Chakrapun	Leelamasavat	Director and Executive Committee	120,000	220,000	330,000
10.	Prof. Suphachi	Phisitvanich ^{1)*}		720,000	240,000	-
11.	Pol.Lt.Gen.Thummanit	Pitaneelaboot ^{5)*}		480,000	160,000	-
12.	Mrs.Angoon	Kamolyabutr ^{6)*}		480,000	160,000	-
13.	Mr.Wichean	Yongrattanakij ^{7)*}		30,000	-	-
14.	Pol.Lt.Gen Somyot	Poonpanmoung ^{8)*}		-	80,000	-
15.	Mr.Somboon	Cheewasutthanon ^{9)*}		180,000	45,000	-
16.	Mr.Wiroj	Bunsirirungruang ^{10)*}		180,000	45,000	-
Total				2,910,000	2,650,000	3,270,000

Note: * Lists of those who were no longer in hold the positions as of December 31, 2011

- ¹⁾ Prof. Suphachai Phisitvanich resigned on 1 May, 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.
- ²⁾ Mr.Somchai Cheewasutthanon was appointed as Chief executive officer on November 24, 2011.
- ³⁾ Mr.Nuttawut Phowborom took up his post as the Director and Audit Committee on May 6, 2010.
- ⁴⁾ Mr.Kamol Ratanachai took up his post as the Director and Audit Committee on November 12, 2010
- ⁵⁾ Pol.Lt.Gen.Thummanit Pitaneelaboot resigned on May 1, 2010.
- ⁶⁾ Mrs. Angoon Kamolyabutr resigned on April 28, 2010.
- ⁷⁾ Mr. Wichean Yongrattanakij resigned on March 4,2009
- ⁸⁾ 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
- ⁹⁾ Mr. Somboon Cheewasutthanon resigned from the Director on March 18, 2010 but remained in the position of Senior Executive Vice President and on November 24, 2011 he took up the post as acting in place of Managing Director
- ¹⁰⁾ Mr. Wiroj Bunsirirungruang resigned from the Director on March 18, 2010 but remained in the position of Executive Vice President

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 Baht 32.56 million in 2009 and Baht 32.52 million in 2010, respectively. Finally, in 2011 the Company and its subsidiaries paid the remuneration totaling Baht34.91 million.

2. 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.
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

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.

Risk Management

The Company realizes the importance of risk management which was a key mechanism and the tool for management that should help the Company reach its goals and targets. The risk management also helps minimize losses while enhancing the competitiveness. Moreover, the risk management is a key element for good governance. Hence, the Company continued to develop a risk management system. In light of this, the Company appointed the Executive Committee to work in the policy level. Meanwhile, the Company also included the risk management in the job description of all departments so that all employees realize and emphasize the importance of the risk management. All departments have a responsibility to manage and control the risks at an acceptable level. Finally, they should follow up and evaluate risks to be in line with both internal and external environment that will change continuously.

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.

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. 1/2012 held on February 24, 2012 in the presence of all three members of the Audit Committee, 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 five 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 were able to 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.

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

1. Organizational Control and Environment Measures

As the Company recognized 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 defined clear roles and business plans for all employees to use as a reference. Business plans were completed. Budget, revenue and expenses were planned. The earnings performance was reported and compared with the targets. Business plans, budget and expenditure plans were regularly reviewed to make it more in line with the changing environment.
- The Company announced the Code of Conduct in a written form. This Code of Conduct covered business principles as well as operational instructions. This Code of Conduct was designed for Management, Directors and all employees to perform their duties with responsibilities and treat all stakeholders in transparency and ethical ways.
- The Company is committed to treat all groups of stakeholders, namely shareholders, employees, partners, competitors, debtors and customers as well as the society in order to support the needs of all groups in transparency and fair ways.

2. Risk Management Measures

The Company carefully considered or deliberated the characteristics of risks, both internal and external. 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 two 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) The Company set budget approval limit and responsibilities of each member of management. The Accounting Department is in charge of review and completion of documents based on the Company's rule.
- 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 opinions 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 appraise 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 so effective that the Company was able to reach its objectives.

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 seven 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 arranged monthly meetings to monitor performances and earnings of the companies in the group. Following the meetings, all Directors were aware of the progress of each company so that they could adjust some strategies to match the changing situation. Budgeting was completed while meetings at related departments were arranged to present the Company's goals. In addition, the Company's earnings performance was reviewed on a monthly basis. The Company also adjusted its business strategies to be in line with the current situation under the supervision of the Company's directors in a quarterly basis.

Moreover, to ensure the efficiency and effectiveness of business operations, the Company established the internal audit department to review the working procedures and make sure that they were in line with the company's internal control system. Should there be some matters that need improvement the internal audit department will report to the Management and also to the Audit Committee within the set timeframe.

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 2011, 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	22.10	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 income	0.91		
		(C) Interest income	1.58		
		(D) Cost of Service	0.55	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.	Such transaction was deemed as a normal business practice designed for the highest benefits for the company. The Company hired various companies to produce equipment for film setting for quality work at reasonable prices. They are reasonable transactions.
		(E) Other income	0.48	Revenue from building facility services to facilitate the general administration, with reasonable rates.	

Connected Person/Entity	Relationship	Type of Transaction	Transaction Value (Baht Million)	Necessity/Remark	Audit Committee's Opinion
Matching Studio Plus Co., Ltd.	Subsidiary (The Company holds 100%)	(A) Account receivable	0.89	Provide post production serviced, based on normal business practices; the service fees were the same as the service fees quoted for outside customers	It is a transaction that supports business of Matching Group and fully utilizes human resources' quality
		(B) Service revenue	2.84		
		(C) Account payable	5.06	To receive TV commercial production services by highly skilled and experienced production teams, based on normal business practices with the service fees that were the same as the service fee quoted for outside customers.	
		(D) Cost of service	12.11		
		(E) Other income	1.80	Revenue from building facility services to facilitate the general administration, with reasonable rates.	
		(F) Interest income	0.06	Support liquidity within Matching Group, which is more convenient and faster than outside borrowing, with an interest rate is 6%.	
Gear Head Co., Ltd.	Subsidiary (The Company holds 100%)	(A) Debtor	47.00	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 income	2.82		
		(C) Accounts Payable	0.01	To receive equipment rental service for commercial production companies; the service fees were based on standard charges seen in the market and the same amount charged to outside customers and the discount prices were normal prices charged to other customers.	
		(D) Cost of service	0.17		
		(E) Operating expenses	0.01	Buy products, which are normal business practices, with the same price as outside customers.	
Matching Broadcast Co., Ltd.	Subsidiary (The Company holds 100%)	(A) Service Revenues	0.20	Revenues from television programs "Plod Nee" and "Kob Dek Sang Ban" the service fee was base on standard charges seen in the market and the same amount charges to outside customers.	It is a reasonable transaction.
		(B) Other income	0.06	Revenue from building facility services to facilitate the general administration, with reasonable rates.	
		(C) Cost of Service	15.54	Services for the television programs "Plod Nee" and "Kob Dek Sang Ban" ; the service rate was the same as the rate charged to outside customers	
		(D) Operating expenses	0.02		

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	22.35	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 income	1.58		
		(C) Service revenue	2.96	Revenues from producing commercial ads; the service fee is based on normal rate as offered to outsider	It is a reasonable transaction.
		(D) Account Receivable	0.94		
		(E) Other income	0.06	Revenues from providing the services to facilitate the administration in the organization, with reasonable service rate	It is a reasonable transaction that supports business of Matching Group.
		(F) Account Payable	0.09	To receive services about commercial ads; the transaction was a normal transaction; the rate was the same as the rate charged to outside customers.	It is a reasonable transaction.
		(G) Operating expenses	0.30		
Book Maker Co., Ltd.	Subsidiary (The Company holds 100%)	(A) Cost of service	1.57	Printing designs service, which was a normal business practice, with the same prices charged to outside customers	It is a reasonable transaction.
		(B) Operating Expenses	0.02	Buy products, which was a normal transaction; the rate was the same as the rate charged to outside customers	It is a normal transaction that supports business of Matching Group.
		(C) Other income	0.04	Revenue from building facility services to facilitate the general administration, with reasonable rates.	They are reasonable transactions.
Goody Film BKK Co., Ltd.	Subsidiary (The Company holds 60%)	(A) Other income	2.16	Revenues from office administration service and consultancy service to facilitate general administration; with reasonable prices for such services	It is reasonable transaction that supports business of Matching Group.
		(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 transaction that supports business and boost liquidity of Matching Group.
Fatman and Little Boy Co., Ltd.	Subsidiary (The Company holds 100%)	(B) Interest Expenses	0.42		
		(C) Other income	0.30	Revenues from providing office service to facilitates the administration, with reasonable service rate	It is a reasonable transaction.

Connected Person/Entity	Relationship	Type of Transaction	Transaction Value (Baht Million)	Necessity/Remark	Audit Committee's Opinion
Mr.Somchai Cheewasuthanon	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.	It is a transaction that supports the Company's business operations with proper rental agreement and rental rates.
Mr. Soomboon Cheewasuthanon	Managing Director (Acting) and Senior Executive Vice President	(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.
Mrs.Siripen Sasinmanop	Director and Executive Committee	(A) Office building rental fee	0.69	Rent out a building located at 173/13-14 Soi Phaholyothin 44 as Gear Head Co., Ltd.'s office with rental rate of Baht 57,500 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 BBTB Production Co., Ltd, the Company's major shareholder	(A) Station rental fee	8.15	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) Service revenue	6.63	The subsidiary was hired to produce TV program called "Talob Tang Talad"; which was a normal transaction and the fee was at the same rate as what charged to outside customers.	
BBTV Asset Management Company Limited	A shareholder of BBTB Production Co., Ltd, the Company's major shareholder	(A) Station rental fee	17.58	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. 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 persons. 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.

3. 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.

Summary of Financial Status and Operating Performance

Summary of the Statement of Financial Position of Matching Maximize Solution Plc., Subsidiaries and Joint Venture

(Unit : Bath In Thousand)

Item	Separate Financial Statements			Consolidated Financial Statements		
	2011	2010 Adjusted	2009 Adjusted	2011	2010 Adjusted	2009 Adjusted
Cash and cash equivalents	33,022	75,607	9,044	72,082	145,324	40,681
Savings account using for guarantee	2,956	3,125	1,250	3,052	3,125	1,250
Current investment	20,000	-	-	32,523	2,046	2,029
Trade accounts receivable-subsiaries-net	1,827	19,125	9,489	-	-	-
Trade accounts-other company-net	75,905	46,956	78,762	169,793	188,636	192,640
Short-term loans and accrued interest income to subsidiaries-net	56,584	84,505	95,280	-	-	-
Inventories and work in productions-net	2,926	1,004	-	4,555	5,673	4,607
Revenue department receivable	522	-	-	1,087	564	5,090
Loans to employees	116	123	91	153	326	199
Other current assets-net	4,724	6,561	9,612	17,323	28,642	28,172
Total current assets	198,582	237,006	203,528	300,568	374,336	274,668
Investments in subsidiaries -net	193,959	165,974	147,600	-	-	-
Investments in joint venture -net	-	-	74	-	-	-
Fixed deposit using for guarantee	403	398	396	403	870	868
Property investments - net	-	-	-	10,250	10,250	10,249
Assets for leases-net	-	-	-	140,471	131,764	143,408
Equipment-net	9,515	8,160	12,807	12,593	13,130	19,231
Intangible assets-net	576	766	1,157	1,935	2,246	2,576
Leasehold right-net	74,243	76,400	81,041	83,743	87,902	91,795
Withholding tax deducted at source-net	3,772	3,539	3,695	9,870	5,928	15,921
Other non-current assets	762	639	685	2,184	2,123	2,083
Total non-current assets	283,230	255,876	247,455	261,449	254,213	286,131
Total assets	481,812	492,882	450,983	562,017	628,549	560,799

(Unit : Bath In Thousand)

Item	Separate Financial Statements			Consolidated Financial Statements		
	2011	2010 Adjusted	2009 Adjusted	2011	2010 Adjusted	2009 Adjusted
Overdrafts and short-term loans from financial institutions	352	395	11,307	362	921	13,507
Trade accounts payable-subsiidiaries	5,166	9,085	2,247	-	-	-
Trade accounts and notes payable	29,155	32,605	41,395	53,467	72,345	73,648
Current portion of long-term liabilities	480	8,273	8,434	5,485	16,738	29,870
Short-term loans from subsidiaries	7,000	7,000	8,100	-	-	-
Accrued expenses	9,454	4,813	10,179	27,032	32,098	23,215
Other current liabilities	5,026	2,661	4,643	24,818	29,060	20,573
Total current liabilities	56,633	64,832	86,305	111,164	151,162	160,813
Long-term loans from financial institutions-net	-	16,444	24,052	5,401	26,849	42,918
Liabilities under financial lease contracts-net	967	1,447	2,112	966	1,447	2,112
Employee benefit obligations	3,742	-	-	13,082	-	-
Other non-current liabilities	-	-	-	227	227	227
Total non-current liabilities	4,709	17,891	26,164	19,676	28,523	45,257
Total liabilities	61,342	82,723	112,469	130,840	179,685	206,070
Issued and paid-up share capital	259,144	259,144	211,084	259,144	259,144	211,084
Premium on share capital	97,630	97,630	79,561	97,630	97,630	79,561
Premium on ordinary shares from expired warrants	43,886	43,886	43,886	43,886	43,886	43,886
Retained earnings						
- Appropriated - legal reserve	2,753	2,477	2,477	2,753	2,477	2,477
- Unappropriated	17,057	7,022	1,506	27,657	43,739	15,663
Total shareholders' equity, net	420,470	410,159	338,514	431,070	446,876	352,671
Non-controlling interest	-	-	-	107	1,988	2,058
Total shareholders' equity	420,470	410,159	338,514	431,177	448,864	354,729
Total liabilities and shareholders' equity	481,812	492,882	450,983	562,017	628,549	560,799

Summary of the Statement of Comprehensive Income of Matching Maximize Solution Plc., Subsidiaries and Joint Venture

(Unit : Bath In Thousand)

Item	Separate Financial Statements			Consolidated Financial Statements		
	2011	2010 Adjusted	2009 Adjusted	2011	2010 Adjusted	2009 Adjusted
Revenues from service	217,543	127,409	232,431	525,385	601,857	584,811
Revenues from sales of goods	-	-	-	70,490	56,694	48,958
Dividend income from subsidiaries	35,696	-	10,994	-	-	-
Other income	12,576	20,340	14,777	5,420	5,601	3,292
Total revenues	265,815	147,749	258,202	601,295	664,152	637,061
Cost of sales and services	141,609	108,061	204,284	399,198	438,298	469,630
Selling and administrative expenses	56,171	49,752	66,483	134,096	137,090	147,352
Directors and excutive remuneration	25,106	16,432	19,462	38,132	35,165	35,465
Doubtful debts (reversal)	1,637	(7,867)	174	4,204	6,746	1,601
Doubtful debt in case of loans and accrued interest income due from subsidiaries (reversal)	(34,002)	(8,325)	(19,229)	-	-	-
Loss on impairment of investment in subsidiaries (reversal)	40,014	(18,373)	7,848	-	-	-
Loss from disposal of fixed assets	-	-	961	-	-	961
Financial cost	1,658	2,553	3,095	2,545	3,984	5,387
Total expenses	232,193	142,233	283,078	578,175	621,283	660,396
Profit before corporate income tax expenses	33,622	5,516	(24,876)	23,120	42,869	(23,335)
Corporate income tax expenses	1,897	-	-	10,090	14,863	5,958
Profit (Loss) for the year	31,725	5,516	(24,876)	13,030	28,006	(29,293)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	31,725	5,516	(24,876)	13,030	28,006	(29,293)
Profit attributable to						
Share holders of parent	31,725	5,516	(24,876)	13,828	28,076	(30,251)
Non-controlling interest	-	-	-	(798)	(70)	958
	31,725	5,516	(24,876)	13,030	28,006	(29,293)



Summary of the Statement of Cash Flows of Matching Maximize Solution Plc., Subsidiaries and Joint Venture

(Unit : Bath In Thousand)

Item	Separate Financial Statements			Consolidated Financial Statements		
	2011	2010	2009	2011	2010	2009
Net cash flows provided by (used in) operating activities	(5,655)	(654)	(13,123)	54,311	112,210	47,963
Net cash flows provided by (used in) investing activities	7,590	24,111	28,953	(72,692)	(27,199)	(24,053)
Net cash flows provided by (used in) financing activities	(44,520)	43,106	(17,957)	(54,861)	19,632	(13,750)
Cash and cash equivalents increase (decrease) - net	(42,585)	66,563	(2,127)	(73,242)	104,643	10,160
Cash and cash equivalents at the beginning of the year	75,607	9,044	11,171	145,324	40,681	30,521
Cash and cash equivalents at the ending of the year	33,022	75,607	9,044	72,082	145,324	40,681

Key Financial Ratios

Financial Ratios of Matching Maximize Solution Plc., Subsidiaries and Joint Venture

Item		Separate Financial Statements			Consolidated Financial Statements		
		2011	2010	2009	2011	2010	2009
Liquidity Ratios :-							
Current ratio	Times	3.51	3.66	2.36	2.70	2.48	1.71
Quick ratio	Times	2.36	2.23	1.14	2.50	2.24	1.47
Cash flow liquidity ratio	Times	(0.09)	(0.01)	(0.15)	0.41	0.72	0.34
Account receivables turnover	Times	2.80	1.53	2.45	3.12	3.19	3.35
Receivables days	Days	129	236	147	115	113	108
Account payables turnover	Times	3.73	2.53	5.94	6.35	6.00	8.58
Payable days	Days	97	142	61	57	60	42
Cash Cycle	Days	32	94	86	59	53	66
Profitability Ratios :-							
Gross profit margin	%	34.91	15.18	12.11	33.01	33.45	25.49
Operating profit margin	%	(2.46)	(36.76)	(24.87)	4.10	7.29	(2.95)
Cash to earning capability ratio	%	105.83	1.40	22.70	222.15	233.71	(256.77)
Net profit margin	%	11.93	3.73	(9.63)	2.17	4.22	(4.60)
Return on equity	%	7.64	1.47	(6.91)	2.96	6.97	(7.70)
Efficiency Ratios :-							
Return on assets	%	6.51	1.17	(5.43)	2.19	4.71	(5.28)
Return on fixed assets	%	49.30	19.38	(12.05)	22.70	30.49	7.03
Assets turnover ratio	Times	0.55	0.31	0.56	1.01	1.12	1.15
Financial Policy Ratios :-							
Debt to equity ratio	Times	0.15	0.20	0.33	0.30	0.40	0.58
Interest coverage ratio	Times	0.45	2.58	(1.78)	36.54	35.29	15.05
Debt service coverageratio (Cash Basis)	Times	(0.04)	(0.02)	(0.28)	0.45	2.04	0.60
Dividend payout ratio	%	93.96	0	41.75	21.37	0	76.28

Analysis of Financial Status and Operating Results

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 2011 the Company expanded Strategic Business Unit (SBU) for its TV program production

Revenue Structure

	2011	2010	2009
TV commercial production business	66.94	125.69	230.85
TV programs business	150.59	-	-
Activity and event organizing business	-	1.60	-
Equipment rental and service business	-	0.12	1.59
Dividend income from subsidiaries	35.70	-	10.99
Other income	12.57	-	14.78
Total	265.81	147.75	258.20

In 2011 the Company's total revenue increased by 79.91% or Baht 118.07 million to Baht 265.81 million as the Company increased exposure of its TV program business so that the Company could have effective management. The Company booked revenue from conducting TV programs amounting to Baht 150.59 million, while the revenue from TV commercial production business amounted to Baht 66.94 million for a decline of Baht 58.75 million or a decline of 46.74%. Moreover, the dividend income received from subsidiaries totaled Baht 35.70 million.

Meanwhile, the cost of service stood at Baht 141.61 million and the gross profit of Baht 75.93 million for a gross profit margin of 34.90%, improving from the gross profit margin of 23.29% reported for 2010 thanks to the effective management of cost for TV program business.

In summary, in 2011 the Company booked a net profit of Baht 31.72 million for an increase of Baht 26.20 million (+475.01%). The Company realized the reversal of doubtful debts in case of loans and accrued interest income due from its subsidiaries amounting to Baht 34.00 million. In addition, the Company also realized the reversal of the loss from impairment of investment in subsidiaries amounting to Baht 40.01 million.

Financial Status

Assets

As of December 31, 2011, the Company's assets totaled Baht 481.81 million for a decrease of Baht 11.07 million or 2.25% when compared to the same period of last year. Cash and cash equivalent declined to Baht 33.02 million from Baht 75.61 million because the Company repaid the long-term debts of Baht 24.05 million to financial institutes. Such long-term debts included the long-term debts before due amounting to Baht 19.61 million. Hence, the debt to equity fell to 0.15. time Meanwhile, the Company paid dividend for its 2010 performance for a total of Baht 5.18 million. In addition, the Company also paid the interim dividend amounting to Baht 12.96 million for its 1H11 performance. The dividend payout ratio for the 2010 performance that was paid in 2011 stood at 93.96%.

The amount of other assets did not change much when compared to the same period of 2010 except for the following. 1) The trade accounts and notes receivable- net increased by 61.65% year-on-year or an increase by Baht 28.95 million to Baht 75.90 million as the Company had expanded its TV program business since February. Some of the Company's customers were accounts receivable with the undue amount of Baht 39.29 million. Meanwhile, the Company had account receivable turnover of 2.80 times. The average collection period was about 129 days. 2) The capital in the subsidiaries increased as the Company increased capital in the Matching Entertainment Company Limited and Matching Studio Plus for the combined investment of Baht 68.00 million. Note that both subsidiaries already repaid debts to the Company during the period.

Liabilities and shareholders' equity

As of end-2011 the Company's liabilities declined by Baht 21.38 million or 25.85% year-on-year to Baht 61.34 million. Meanwhile, the Company's shareholders' equity amounted to Baht 420.47 million for an increase of Baht 10.31 million or 2.51% year-on-year. The increase in shareholders' equity came from the net profit of Baht 31.72 that the Company booked for 2011 which was deducted by the dividend payment of Baht 18.14 million and by Baht 3.27 million linked to the impact of the change in accounting policy for the benefits of employees.

Liquidity

In 2011, the Company's current ratio declined slightly from 3.66 to 3.51 time but the quick ratio increased from 2.23 to 2.36 time. In 2011 the Company's spent net cash flow amounted to Baht 5.66 million and the cash flow from investment stood at Baht 7.59. In addition, the Company booked a cash flow from funding activities amounting to Baht 44.52 million. Hence, the ending cash stood at Baht 33.02 million. Note that the Company did not have long-term debt burden. Hence, its liquidity was not impacted.

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

In 2011 the Company's total revenue amounted to Baht 601.29 million for a decrease of Baht 62.86 million or a decrease of 9.46% on a year-on-year basis. The revenue was generated by five main businesses namely, branding solution service and commercial production business, TV program production business, event organization business, equipment rental and service and printing business. The details are summarized in the following table.

Type of businesses	2011		2010		Difference	
	million	%	Million	%	million	%
TV commercial business	158.71	26.39	259.25	39.03	(100.54)	(38.78)
TV program production business	154.43	25.68	125.76	18.94	28.67	22.80
Activity and event organizing business	31.79	5.29	33.76	5.08	(1.97)	(5.84)
Equipment rental and service business	180.45	30.01	183.08	27.57	(2.63)	(1.44)
Sale of printing matters and advertising spaces business	64.17	10.67	49.16	7.40	15.01	30.53
Revenue from sale of various products	6.32	1.05	7.54	1.14	(1.22)	(16.18)
Other revenue	5.42	0.90	5.60	0.84	(0.18)	(3.21)
Total	601.29	100.00	664.15	100.00	(62.86)	(9.46)

The revenue from TV commercial production

Matching Group reported the revenue from TV commercial production services amounting to Baht 158.71 million for a decrease of Baht 100.54 million or a fall of 38.78% from the amount reported for the same period of last year. The decrease was due largely to the economic slowdown, coupled with the negative impacts of the flood crisis that prompted many customers to decide to cut their public relation budgets and focus mainly on recovering of their businesses that had been hit hard by the floods. In addition, international customers had more options to choose locations in other countries locations in Thailand were unfavorable for TV commercial production. Meanwhile, the major customers from Japan which was hit heard by the tsunami in Mar-11 had to recover their businesses.

The revenue from TV programs

The revenue from this business increased by Baht 28.67 million, equivalent to an increase of 22.80% on a year-on-year basis to Baht 154.43 million. The increase was made possible by the better production management and higher revenue earned by the TV programs “Plod Nee” that was broadcast on Channel 7 at production 14.45 - 15.30 hrs every Saturday and “Plod Nee on Public Holidays”. “Kob Dek Sang Ban” which was broadcast on Channel 7 at 16.00 - 16.30 hrs every Wednesday and Thursday. These programs were very well accepted by both viewers and product owners who wanted to put their commercial ads during the programs. Moreover, in the fourth quarter of 2011 the Company was hired to produce a new TV program called “Talob Lang Talad” on Channel 7, Mondays to Thursdays at 15.30 - 16.00 hrs.

The revenue from event organizing

The revenue from event organizing business dropped by Baht 1.97 million or 5.83% on a year-on-year basis to Baht 31.79 million due to many customers’ decisions to postpone their events to early 2012 as a result of unfavorable situation during the quarter.

The revenue from equipment rental and services

The revenue from this business amounted to Baht 180.45 million, for a decrease of Baht 2.63 million or 1.44% on a year-on-year basis. The decrease can be blamed on the negative impacts of the floods. The area around Matching’s subsidiary was flooded. So, it set a temporary office in Chonburi Province and managed to provide services to customers. Hence, the decrease in revenue was quite small.

The revenues from sale of printing matters and advertising spaces

The revenue from this business rose by Baht 15.01 million or 30.53% on a year-on-year basis to Baht 64.17 million given that the Company’s existing “CHEEZE” fashion magazine for teenagers was very popular, allowing the Company to add a new column about recommendation of teenager cloth shops. This was very accepted by readers and those who wanted to put advertisement in the advertising space. In addition, the Company also released a new magazine “Cheeze Looker”, a fashion magazine designed particularly for male readers. The launch of this “Cheeze Looker” magazine was a huge success. The publishing volumes for both the new “Cheeze Looker” and the exiting “Cheeze” continued to increase.

In 2011 the cost of sale and services dropped by Baht 39.10 million or a decrease of 8.92 % on a year-on-year basis due to the decrease in sales. Hence, the Company’s gross profit margin narrowed by 0.44% to 33.45% and the net profit amounted to Baht 13.3 million for a decrease of Baht14.97 million or a decrease of 53.47% on a year-on-year basis.

Financial Status

Assets

As of December 31, 2011 Matching Group had a total asset amounting to Baht 562.02 million for a decline of 10.58% or Baht 66.53 million on a year-on-year basis. Cash and cash equivalent decreased to Baht 72.08 million from Baht 145.32 million as the Company deposited B/E amounting to Baht 31.50 million and repaid the long-term debt amounting to Baht 32.52 million to financial institutes.

Liabilities and shareholders' equity

As of 31 December 2011, the Company's total liabilities declined by Baht 48.84 million or 27.18% year-on-year to Baht 130.84 million as the Matching Maximize Solution Plc. repaid undue debts to financial institutes, then net long-term debt stood at to Baht 10.41 million. (The long-term debt due within one year amounted to Baht 5.00 million.) Hence, the debt to equity ratios stood at 0.30 time as of end-2011 and at 0.40 time as of end-2010. In addition, the Matching group also followed the Accounting Standard No. 19 concerning the benefit of employees starting in January 1, 2011. According to this Accounting Standard the Company realized the burden and retained earnings as of the beginning day of fiscal year 2011. Note tat as of December 31, 2011 the Matching Group saw the burden linked to the employees' benefits amounting to Baht 13.08 million.

As of December 31, 2011, the Company's shareholders' equity amounted to Baht 431.18 million which came from the shareholders' equity as of December 31, 2011 of Baht 448.86 million deducted by the impact amounting to Baht 11.77 million linked to the adjustment to the accounting policy linked to employees' benefits and the dividends of Baht 18.94 million. Finally, the net profit amounted to Baht 13.3 million in 2011 and the dividend payout ratio at 21.37%.

Liquidity

As of end 2011 Matching's beginning cash amounted to Baht 145.32 million. The operating cash flow amounted to Baht 54.31 million. The net cash used investing amounted to Baht 72.69 million due to the purchase of assets and deposit the B/Es. Meanwhile, the Company has net cash used for fund raising activities amounting to Baht 54.86 million. Hence, the ending cash flow amounted to Baht 72.08 million.

In 2011 the current ratio stood at 2.70 time and in 2011 the current ratio stood at 2.48 time, respectively. In the same period, the quick liquidity ratio stood at 2.50 time and 2.24 time, respectively. Cash flow liquidity ratio stood at 0.72 and 0.41 time in 2010 and 2011, respectively. Finally, the cash cycles stood at 53 days and 59 days, respectively.

AUDITOR'S REPORT

To The Shareholders and Board of Directors of
MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED

I have audited the consolidated statement of financial position of MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED and its subsidiaries as at December 31, 2011 and 2010, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the years then ended and the statement of financial position of MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED as at December 31, 2011 and 2010, 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 and its subsidiaries as at December 31, 2011 and 2010, 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, 2011 and 2010, 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.

As described in the Note 2 to the financial statement for the year ended December 31, 2011, the Company has adopted revised financial reporting standards, which issued by Federation of Accounting Professions (FAP). It requires compliance with the financial statements for the period beginning on or after January 1, 2011 onwards in order to prepare and present this financial statement. The financial statements for the year ended December 31, 2010 had been presented in accordance with the new format in order to comply with the financial statement for the year ended December 31, 2011.



(Miss Chantra Wongsri-Udomporn)

Certified Public Accountant

Registration No. 4996

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 24, 2012

2012/111/0185

MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

ASSETS

(Unit : Baht)

	Note	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2011	2010	2011	2010
Current assets					
Cash and cash equivalents	7	72,081,519.87	145,323,787.87	33,022,085.08	75,607,111.80
Savings account using for guarantee	8	3,052,571.00	3,124,896.00	2,956,571.00	3,124,896.00
Current investment	9	32,523,313.68	2,046,277.38	20,000,000.00	-
Trade accounts receivable-subsiaries-net	6.1	-	-	1,826,885.90	19,125,377.95
Trade accounts-other company-net	10	169,792,583.33	188,636,068.37	75,904,996.25	46,955,713.71
Short-term loans and accrued interest income to subsidiaries-net	6.1, 11	-	-	56,584,010.94	84,504,829.69
Inventories and work in productions-net	12	4,554,770.73	5,672,821.65	2,925,524.25	1,003,650.00
Revenue department receivable		1,087,250.02	564,308.46	522,510.92	-
Loans to employees	13	153,083.86	325,996.03	115,790.52	123,260.36
Other current assets-net	14	17,323,399.00	28,642,309.72	4,723,652.41	6,561,437.12
Total current assets		300,568,491.49	374,336,465.48	198,582,027.27	237,006,276.63
Non-current assets					
Investments in subsidiaries -net	15	-	-	193,959,062.53	165,973,494.17
Fixed deposit using for guarantee	16	403,482.08	870,057.07	403,482.08	398,187.07
Loan to other company-net	17	-	-	-	-
Property investments - net	5, 18	10,249,563.50	10,249,563.50	-	-
Assets for leases-net	19	140,471,423.07	131,764,374.28	-	-
Equipment-net	20	12,593,275.98	13,130,043.01	9,514,697.33	8,160,494.45
Intangible assets-net	21	1,934,646.83	2,245,978.14	576,050.77	765,704.44
Leasehold right-net	22	83,742,598.97	87,901,461.45	74,243,210.86	76,400,025.03
Withholding tax deducted at source-net		9,870,182.78	5,927,937.08	3,771,575.18	3,538,736.26
Other non-current assets		2,183,463.58	2,122,891.54	761,604.38	638,677.02
Total non-current assets		261,448,636.79	254,212,306.07	283,229,683.13	255,875,318.44
Total assets		562,017,128.28	628,548,771.55	481,811,710.40	492,881,595.07

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

STATEMENT OF FINANCIAL POSITION (CONT.)

LIABILITIES AND SHAREHOLDERS' EQUITY

(Unit : Baht)

	Note	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2011	2010	2011	2010
Current liabilities					
Overdrafts and short-term loans from financial institutions	23	361,687.76	921,093.35	351,987.76	395,045.64
Trade accounts payable-subsiaries	6.1	-	-	5,165,670.60	9,084,686.77
Trade accounts and notes payable		53,467,099.74	72,344,801.58	29,154,644.68	32,605,322.88
Current portion of long-term liabilities	24	5,484,571.42	16,738,499.16	480,571.42	8,272,756.09
Short-term loans from subsidiaries	6.1, 25	-	-	7,000,000.00	7,000,000.00
Accrued expenses		27,032,188.93	32,097,982.41	9,454,087.29	4,812,702.99
Other current liabilities		24,818,151.33	29,059,625.34	5,026,089.08	2,660,877.59
Total current liabilities		111,163,699.18	151,162,001.84	56,633,050.83	64,831,391.96
Non-current liabilities					
Long-term loans from financial institutions-net	26	5,401,000.00	26,849,000.00	-	16,444,000.00
Liabilities under financial lease contracts-net	27	966,599.81	1,447,171.23	966,599.81	1,447,171.23
Employee benefit obligations	28	13,082,384.98	-	3,741,921.00	-
Other non-current liabilities		226,542.47	226,542.47	-	-
Total non-current liabilities		19,676,527.26	28,522,713.70	4,708,520.81	17,891,171.23
Total liabilities		130,840,226.44	179,684,715.54	61,341,571.64	82,722,563.19

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

MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

(Unit : Baht)

	Note	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2011	2010	2011	2010
Shareholders' equity					
Share capital	29				
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	259,143,807.00	259,143,807.00
Addition paid-in capital					
Premium on share capital		97,629,903.04	97,629,903.04	97,629,903.04	97,629,903.04
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	2,753,084.00	2,477,276.00	2,753,084.00	2,477,276.00
Unappropriated		27,656,648.62	43,739,305.09	17,057,144.72	7,021,845.84
Total shareholders' equity, net		431,069,642.66	446,876,491.13	420,470,138.76	410,159,031.88
Non-controlling interest		107,259.18	1,987,564.88	-	-
Total shareholders' equity		431,176,901.84	448,864,056.01	420,470,138.76	410,159,031.88
Total liabilities and shareholders' equity		562,017,128.28	628,548,771.55	481,811,710.40	492,881,595.07

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(Unit : Baht)

	Note	Consolidated		Separate	
		Statements of income		Statements of income	
		2011	2010	2011	2010
Revenues from operation	6.2				
Revenues from advertising films production		158,714,252.39	259,250,119.47	66,941,033.94	125,688,107.72
Revenues from television programs		154,430,572.66	125,761,951.11	150,593,777.50	-
Revenues from show/events organizing		31,794,051.17	33,763,813.00	-	1,602,550.00
Revenues from and rental and service		180,446,182.00	183,080,653.55	8,000.00	117,870.50
Revenues from sales of magazines and advertising in publishing media		64,165,972.52	49,161,339.97	-	-
Revenues from sales of goods		6,323,898.84	7,533,037.75	-	-
Dividend income	15, 31	-	-	35,696,385.00	-
Other income		5,420,225.73	5,600,877.04	12,575,694.75	20,340,197.83
Total revenues		601,295,155.31	664,151,791.89	265,814,891.19	147,748,726.05
Expenses from operation	6.2				
Cost of services		351,231,881.98	400,430,701.10	141,608,602.92	108,061,900.42
Cost of sales		47,966,652.81	37,867,357.21	-	-
Selling expenses		28,651,888.73	28,575,035.96	14,428,018.56	6,141,645.49
Administrative expenses		105,444,327.50	108,514,650.97	41,743,759.73	43,610,574.10
Directors and executive remuneration	6.2	38,131,623.00	35,165,233.00	25,106,023.00	16,432,033.00
Doubtful debts (reversal)	10	4,203,997.18	6,746,412.41	1,637,394.25	(7,867,256.29)
Doubtful debt in case of loans and accrued interest income due from subsidiaries (reversal)	11	-	-	(34,002,452.71)	(8,325,357.16)
Loss on impairment of investment in subsidiaries (reversal)	15	-	-	40,014,431.64	(18,373,494.17)
Financial cost	6.2	2,544,831.87	3,983,891.57	1,657,768.85	2,552,512.57
Total expenses		578,175,203.07	621,283,282.22	232,193,546.24	142,232,557.96
Profit before corporate income tax expenses		23,119,952.24	42,868,509.67	33,621,344.95	5,516,168.09
Corporate income tax expenses	33	10,089,748.92	14,862,858.88	1,896,546.58	-
Profit for the year		13,030,203.32	28,005,650.79	31,724,798.37	5,516,168.09
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		13,030,203.31	28,005,650.79	31,724,798.37	5,516,168.09
Profit attributable to :					
Share holders of parent		13,827,821.62	28,076,401.84	31,724,798.37	5,516,168.09
Non-controlling interest		(797,618.30)	(70,751.05)	-	-
		13,030,203.32	28,005,650.79	31,724,798.37	5,516,168.09
Basic earnings per share (unit : Baht per share)	34				
Profit attributable to share holders of parent		0.05	0.13	0.12	0.02
Weighted average number of ordinary shares (unit : shares)		259,143,807	223,377,408	259,143,807	223,377,408
Diluted earnings per share (unit : Baht per share)					
Profit attributable to share holders of parent		0.05	0.11	0.11	0.02
Weighted average number of ordinary shares (unit : shares)		277,421,254	253,129,990	277,421,254	253,129,990

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(Unit : Baht)

	Note	Consolidated Statements						
		Shareholders of parent					Non-controlling interest	
		Addition paid-in capital		Retained earnings (deficit)			Total	
		Share capital issued and paid-up	Premiums on share capital	Premiums on ordinary share	Appropriated- Legal reserve	Unappropriated reserve		
Balance as at January 1, 2010		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
Paid up in share capital	29	48,060,000.00	18,069,000.00	-	-	-	66,129,000.00	-
Total comprehensive income for the year 2010		-	-	-	-	28,076,401.84	28,076,401.84	(70,751.05)
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
(before adjustment)								
Impact of change in accounting policy for employee benefits	5	-	-	-	-	(11,494,603.60)	(11,494,603.60)	(279,072.40)
Balance as at January 31, 2011 (after adjustment)		259,143,807.00	97,629,903.04	43,886,200.00	2,477,276.00	32,244,701.49	435,381,887.53	1,708,492.48
Legal reserve	30, 31	-	-	-	275,808.00	(275,808.00)	-	-
Dividend payment	31	-	-	-	-	(18,140,066.49)	(18,140,066.49)	(803,615.00)
Total comprehensive income for the year 2011		-	-	-	-	13,827,821.62	13,827,821.62	(797,618.30)
Balance as at December 31, 2011		259,143,807.00	97,629,903.04	43,886,200.00	2,753,084.00	27,656,648.62	431,069,642.66	107,259.18

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(Unit : Baht)

	Note	Separate Statements of Changes in Shareholder's Equity					
		Addition paid-in capital			Retained earnings (deficit)		Total
		Share capital issued and paid-up	Premiums on share capital	Premiums on ordinary shares from expired warrants	Appropriated-Legal reserve	Unappropriated	
Balance as at January 1, 2010		211,083,807.00	79,560,903.04	43,886,200.00	2,477,276.00	1,505,677.75	338,513,863.79
Paid up in share capital	29	48,060,000.00	18,069,000.00	-	-	-	66,129,000.00
Total comprehensive income for the year 2010		-	-	-	-	5,516,168.09	5,516,168.09
Balance as at December 31, 2010 (before adjustment)		259,143,807.00	97,629,903.04	43,886,200.00	2,477,276.00	7,021,845.84	410,159,031.88
Impact of change in accounting policy for employee benefits	3	-	-	-	-	(3,273,625.00)	(3,273,625.00)
Balance as at January 31, 2011 (after adjustments)		259,143,807.00	97,629,903.04	43,886,200.00	2,477,276.00	3,748,220.84	406,885,406.88
Legal reserve	30, 31	-	-	-	275,808.00	(275,808.00)	-
Dividend payment	31	-	-	-	-	(18,140,066.49)	(18,140,066.49)
Total comprehensive loss for the year 2011		-	-	-	-	31,724,798.37	31,724,798.37
Balance as at December 31, 2011		259,143,807.00	97,629,903.04	43,886,200.00	2,753,084.00	17,057,144.72	420,470,138.76

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

MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(Unit : Baht)

	Consolidated		Separate	
	Statements of cash flows		Statements of cash flows	
	2011	2010	2011	2010
<u>Cash flow from operating activities</u>				
Profit for the year	13,030,203.32	28,005,650.79	31,724,798.37	5,516,168.09
Reconciliation of profit for the year with cash receipts				
(payment) from operating				
Adjustment entries	269,479.00	-	269,479.00	-
Doubtful debt in case of loans and accrued interest due from subsidiaries (reversal)	-	-	(34,002,452.71)	(8,325,357.16)
Bad debts and doubtful debts (reversal)	4,203,997.18	6,746,412.41	1,637,394.25	(7,867,256.29)
Estimate for returned goods (reversal)	959,375.00	147,982.25	-	-
Written-off withholding tax	1,077,324.18	2,591,317.20	883,549.42	1,478,045.58
Reserve from withholding tax (reversal)	1,082,191.32	(376,597.83)	(1,416,263.70)	(1,335,956.14)
Loss from impairment in investment in subsidiaries (reversal)	-	-	40,014,431.64	(18,373,494.17)
Depreciation and amortization	40,693,681.60	46,743,890.28	10,077,996.35	11,911,792.52
Amortized other expenses	81,191.59	333,500.00	81,191.59	333,500.00
Employee benefits expenses	1,558,596.98	-	468,296.00	-
Loss on declining value of inventories	815,871.15	-	-	-
(Gain) loss on sale of fixed assets	(1,109,195.82)	150,508.71	(848,144.33)	(105,901.91)
Loss from disposal of fixed assets	857.54	13,759.72	-	-
Dividend income subsidiaries	-	-	(35,696,385.00)	-
Interest income	(1,091,969.91)	(228,032.79)	(6,578,248.39)	(9,347,351.31)
Interest expenses	2,069,162.84	3,983,891.57	1,531,176.84	2,552,512.57
Corporate income tax	10,089,748.92	14,862,858.88	1,896,546.58	-
Profit from operation before changes in operating assets and liabilities	73,730,513.89	102,975,141.19	10,043,365.91	(23,563,298.22)
Operating assets (increase) decrease				
Trade accounts receivable - subsidiaries	-	-	17,298,492.05	405,117.30
Trade accounts and notes receivable - other companies	13,410,633.86	(2,890,417.28)	(30,856,155.79)	29,632,505.48
Inventories and work in productions	302,180.77	(1,066,013.09)	(1,921,874.25)	(1,003,650.00)
Loans to employees	172,912.17	(126,954.73)	7,469.84	(32,519.39)
Other current assets	8,264,350.58	1,314,220.01	(329,015.46)	1,866,601.45
Other non-current assets	(60,572.04)	(40,225.82)	(122,927.36)	46,774.18

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

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(Unit : Baht)

	Consolidated		Separate	
	Statements of cash flows		Statements of cash flows	
	2011	2010	2011	2010
Operating liabilities increase (decrease)				
Trade accounts payable-subidiaries	-	-	(3,919,016.17)	6,837,129.61
Trade accounts and notes payable - other companies	(18,877,701.84)	(1,303,568.14)	(3,450,678.20)	(8,789,261.72)
Accrued expenses	(4,959,103.68)	8,944,898.21	4,730,343.75	(5,341,660.18)
Other current liabilities	(2,866,648.97)	7,049,590.80	2,179,656.18	(1,982,281.18)
Cash flows received (paid) from operating activities	69,116,565.24	114,856,671.15	(6,340,339.50)	(1,924,542.67)
Cash paid for benefits by the plan	(249,888.00)	-	-	-
Cash received from interest income received	846,146.05	184,962.72	441,579.35	73,077.00
Cash received from refunded withholding tax	7,610,016.66	23,677,309.11	5,014,344.34	5,912,181.69
Cash paid for corporate income tax	(23,011,553.93)	(26,509,102.53)	(4,770,650.45)	(4,714,468.98)
Net cash flows provided by (used in) operating activities	54,311,286.02	112,209,840.45	(5,655,066.26)	(653,752.96)
<u>Cash flows from investing activities</u>				
Increase in savings account using for guarantee	72,325.00	(1,875,396.00)	168,325.00	(1,875,396.00)
Increase in current investment	(30,477,036.30)	(16,897.18)	(20,000,000.00)	-
(Increase) decrease in fixed deposit using for guarantee	466,574.99	(2,205.50)	(5,295.01)	(2,205.50)
Cash received interest income from current investment	241,128.64	42,513.23	64,800.54	2,227.79
Cash received from loans subsidiaries	-	-	74,500,000.00	29,100,000.00
Cash paid for loans to subsidiaries	-	-	(16,650,000.00)	(19,000,000.00)
Cash received interest income from subsidiaries	-	-	10,134,619.41	18,272,670.70
Cash paid for purchase of fixed assets	(41,997,455.49)	(23,719,843.91)	(5,738,718.89)	(1,407,443.46)
Cash paid for leashold right	(2,463,897.49)	(2,933,709.60)	(3,452,670.98)	(1,163,709.60)
Cash received from sales of fixed assets	1,466,246.01	1,306,833.28	872,611.22	110,794.40
Cash paid (received) for additional investment from subsidiaries	-	-	(68,000,000.00)	73,838.01
Dividend income from subsidiaries	-	-	35,696,385.00	-
Net cash flows provided by (used in) investing activities	(72,692,114.64)	(27,198,705.68)	7,590,056.29	24,110,776.34

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

MATCHING MAXIMIZE SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(Unit : Baht)

	Consolidated		Separate	
	Statements of cash flows		Statements of cash flows	
	2011	2010	2011	2010
<u>Cash flows from financing activities</u>				
Decrease in overdrafts and short-term loans from financial institutions	(559,405.59)	(12,585,698.97)	(43,057.88)	(10,911,516.75)
Cash received from short-term loans from subsidiaries	-	-	-	5,000,000.00
Cash paid for short term loans from subsidiaries	-	-	-	(6,100,000.00)
Cash paid for long-term loans	(32,517,743.07)	(29,039,567.99)	(24,052,000.00)	(7,608,000.00)
Cash paid for liabilities under financial lease contracts payable	-	(826,028.05)	-	(826,028.05)
Cash paid for liabilities under hire-purchase contracts payable	(664,756.09)	-	(664,756.09)	-
Cash received from issued ordinary shares	-	66,129,000.00	-	66,129,000.00
Cash paid for interest paid	(2,175,853.14)	(4,045,802.33)	(1,620,136.29)	(2,577,724.28)
Cash paid for dividend	(18,943,681.49)	-	(18,140,066.49)	-
Net cash flows provided by (used in) financing activities	(54,861,439.38)	19,631,902.66	(44,520,016.75)	43,105,730.92
Cash and cash equivalents increase (decrease) - net	(73,242,268.00)	104,643,037.43	(42,585,026.72)	66,562,754.30
Cash and cash equivalents at the beginning of the year	145,323,787.87	40,680,750.44	75,607,111.80	9,044,357.50
Cash and cash equivalents at the ending of the year	72,081,519.87	145,323,787.87	33,022,085.08	75,607,111.80

Supplemental disclosures of cash flow information :

For the year end December 31, 2011

The parent company has increased the investment of two subsidiaries, which have already been paid at Baht 68 million.

Later, two subsidiaries had repaid loans to the parent company in total amount of Baht 42 million, as well as repaid the money for trade account receivable to the parent company in the total amount of Baht 18.51 million. (see note 15)

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

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

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. The Company's main business is contract to produce advertisements.

Head office : located 305/10 Soi Sukhothai 6, Sukhothai Road, Dusit, Bangkok, Thailand.

Branch office : located at 260 Soi Sukhumvit 55, Sukhumvit Road, Khongton - North, Wattana, Bangkok, Thailand.

At the reports of directors meeting No. 1/2011, held on January 28, 2011, it approved to increase a business of television production by transferring the product of "PLOD NHEE" and "KHOB DEK SANGBHAAN" from Matching Broadcast Co., Ltd. In addition, the Company has purchased and transferred all of fixed assets and personnel from such subsidiary.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E. 2547 by complying with the financial reporting standards for Publicly Accountable Entities. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E. 2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

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.

2.2 New accounting standards and financial reporting standards effective for using in this year.

During the years 2010 and 2011, the Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the revised 2009, new issued of accounting standards financial reporting standards and the interpretations of which they are effective for using in the periods beginning on or after January 1, 2011, 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 16 (revised 2009) Property, Plant and Equipment

TAS 17 (revised 2009) Leases

TAS 18 (revised 2009) Revenue

TAS 19 Employee Benefits

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 Assets
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
TSIC 31	Revenue - Barter Transactions Involving Advertising Services

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 this year. However, TAS 1 (revised 2009) Presentation of Financial Statements, TAS 16 (revised 2009) Property, Plant and Equipment, TAS 19 Employee Benefits and TAS 40 (revised 2009) Investment Property of which the Company has adopted of using in this year, have the effects of changes in the Company's accounting policies as disclosed in Note 2.4. These changes of accountings policies mostly affect to the presentation of financial statements in new format and prospective adjustment, except for the accounting standards of Employee Benefits which the company has choosed the adoption by adjusting to the beginning retained earnings in full amount.

2.3 Issue of New Interpretation of accounting standards during the year

During the year 2011, the Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the new interpretations of accounting standards of which are effective for the fiscal year beginning on or after January 1, 2013, as follows.

- TSIC 10 Government Assistance - No Specific Relation to Operating Activities
- TSIC 21 Income Taxes - Recovery of Revalued Non - Depreciable Assets
- TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The management of the Company has assessed the effect of these new interpretations of accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied

2.4 Changes in accounting policies

Since the date of 1 January 2011, consequent to the adoption of new and revised TFRS as set out in note 2.2, the Company has changed its accounting policies as follows :

TAS 1 (revised 2009) Presentation of Financial Statements

Under the revised TAS, a set of financial statements comprises :

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in shareholders' equity;
- Statement of cash flows; and
- Notes to the financial statements.

TAS 16 (revised 2009) Property, Plant and Equipment

Under the revised TAS, there are the principal changes and affecting the Company as follows:

1. Costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation;
2. The depreciation charge has to be determined separately for each significant part of an asset;
3. In determining the depreciable amount, the residual value of an item of assets has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised TAS, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively.

TAS 19 Employee Benefits.

Under the new policy, the Company has the obligations in respect of the severance payments to employees upon retirement under the Company's article and labour law. The Company treats these severance payment obligation as a defined benefit plan. Previously, this obligation was recognized as occurred. The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate and inflation rates.

The Company has opted to record the entire amount of this liability as an adjustment to retained earning as at January 1, 2011, in accordance with the transitional provisions of TAS 19.

TAS 40 (revised 2009) Investment Property

Under the revised TAS, investment property, defined as property owned to earn rentals; capital appreciation; or both and not use in operations, is disclosed in the financial statements separately from other property, plant and equipment.

The Company has selected the cost model for accounting for its investment properties under the revised TAS. The change in accounting policy has been applied to reclassify the comparative financial statements. From January 1, 2011, the depreciable amount and useful life of the investment property have been reassessed in accordance with the requirements of TAS 16 (revised 2009). These changes in accounting policy in this regard have been applied prospectively in accordance with the transitional provisions of TAS 16 (revised 2009).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Recognition of revenues

3.1.1 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.

3.1.2 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.

3.1.3 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.

3.1.4 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.

3.1.5 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.

3.1.6 Revenues from sales of goods

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

3.1.7 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.

3.1.8 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.

3.1.9 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.

3.1.10 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.

3.1.11 Interest income

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

3.1.12 Dividend income

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

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

3.2 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.

3.3 Trade accounts receivable and allowance for doubtful accounts

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts (if any).

The allowance for doubtful accounts is estimated losses are based on a percentage of outstanding receivables classified by aging of accounts receivable. Assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

3.4 Inventories

Inventories and work in productions consisted of :

3.4.1 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.

3.4.2 Magazines and pocket books

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

3.4.3 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

3.5 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.

3.6 Investments

3.6.1 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.

3.6.2 Investments in subsidiaries

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.



3.7 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

3.8 Property, plant and equipment

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such asset in the condition ready to serve the objectives.

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.

The Company has reviewed the residual value and useful life of the asset every year.

Property, plant and equipment are written off at disposal. Gains and losses arising from sale or written-off of assets are recognized in the statement of comprehensive income.

3.9 Intangible assets

Intangible assets that have a limit of useful life 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.

3.10 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

3.11 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.)

3.12 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.

3.13 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.

3.14 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.

3.15 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.

3.16 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.

3.17 Corporate income tax

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

3.18 Earnings per share

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

3.19 Employee benefits

Short-term employee benefits

The Company and its subsidiaries recognizes salary, overtime, bonus and social security 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.

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in profit or loss.

The Company has opted to record the entire amount of this liability as an adjustment to retained earnings as at January 1, 2011, in accordance with the transitional provisions of TAS 19.

3.20 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.

3.21 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.

3.22 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.

4. BASIS FOR PREPARATION CONSOLIDATED FINANCIAL STATEMENTS

- 4.1 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
	2011	2010		
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
Matching Studio Plus Co., Ltd.	100.00	100.00	Thailand	Produce and contract to produce movies
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

- 4.2 In preparing the consolidated financial statements, the Company has already eliminated the remaining balance and inter-transactions with subsidiaries.
- 4.3 The subsidiaries have the accounting periods which ended on the same date as Matching Maximize Solution Public Company Limited's accounting period.

5. EFFECT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW ACCOUNTING STANDARDS

From January 1, 2011, consequent to the adoption of new and revised TFRS of TAS 16 Property Plant and Equipment and TAS 19 Employee Benefit (see Note 2.4 and Note 19), Which are affected to the financial statements as follows:

Adjustment of financial statements

Statement of financial position as at December 31, 2011 (Shareholders equity)

	(Unit :Baht)	
	Consolidated financial statements	Separate financial statements
Retained earnings at December 31, 2010 - as reported (before adjustments)	43,739,305.09	7,021,845.84
Increase in employee benefit obligations	(11,773,676.00)	(3,273,625.00)
Decrease in non-controlling interests	279,072.40	-
Retained earnings at January 1, 2011 (after adjustments)	32,244,701.49	3,748,220.84

Statement of comprehensive income for the year ended December 31, 2011

	(Unit :Baht)	
	Consolidated	Separate
	financial statements	financial statements
Decrease in depreciation expense	6,305,586.59	-
Increase in employee expenses resulting in:		
Increase in cost of services	168,386.97	49,368.98
Increase in selling expenses	33,152.00	16,356.00
Increase in administrative expenses	881,388.98	275,979.01
Increase in interest	475,669.03	126,592.01
Total	1,558,596.98	468,296.00
Increase (decrease) in profit	4,746,989.61	(468,296.00)
Decrease in profit attributable to non - controlling interests	48,897.20	-
Increase in profit attributable to owner of the parent	4,795,886.81	(468,296.00)
Increase (decrease) in earnings per share;		
- Basic earnings per share (Baht per share)	0.02	(0.00)
- Diluted earning per share (Baht per share)	0.02	(0.00)

Reclassification

	(Unit :Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2010		As at December 31, 2010	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>Statement of financial position</u>				
Property investments	10,249,563.50	-	-	-
Land not used in operation	-	10,249,563.50	-	-

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)

	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
<u>Type of transaction/accounts name</u>				
<u>Subsidiary</u>				
- Trade accounts receivable				
Matching Movie Town Co., Ltd.	-	-	936,250.00	-
Matching Studio Plus Co., Ltd.	-	-	890,635.90	19,125,377.95
Trade accounts receivable-net	-	-	1,826,885.90	19,125,377.95
<u>Related company</u>				
- Trade accounts receivable				
The BBTV Productions Co.,Ltd.	862,845.47	-	-	-
<u>Subsidiary</u>				
- Short-term loans to				
Matching Entertainment Co., Ltd.	-	-	22,100,000.00	58,300,000.00
Gear Head Co., Ltd.	-	-	47,000,000.00	47,000,000.00
Matching Movie Town Co., Ltd.	-	-	22,350,000.00	39,000,000.00
Matching Studio Plus Co., Ltd.	-	-	-	5,000,000.00
Total	-	-	91,450,000.00	149,300,000.00
Less Allowance for doubtful debts	-	-	(35,775,989.06)	(69,778,441.77)
Short-term loans - net	-	-	55,674,010.94	79,521,558.23
- Accrued interest income				
Matching Entertainment Co., Ltd.	-	-	910,000.00	1,150,000.00
Gear Head Co., Ltd.	-	-	-	3,833,271.46
Total	-	-	910,000.00	4,983,271.46
Short-term loans and accrued interest income - net	-	-	56,584,010.94	84,504,829.69
<u>Subsidiary</u>				
- Trade accounts payable				
Gear Head Co., Ltd.	-	-	11,801.60	344,926.77
Matching Studio Plus Co., Ltd.	-	-	5,060,244.00	8,739,760.00
Matching Movie Town Co., Ltd.	-	-	93,625.00	-
Book Maker Co., Ltd.	-	-	-	-
Total	-	-	5,165,670.60	9,084,686.77
- Short-term loan from				
Fatman and Little Boy Co., Ltd.	-	-	7,000,000.00	7,000,000.00
Total short-term loans	-	-	7,000,000.00	7,000,000.00

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 year ended December 31, 2011 and 2010 are as follows :-

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
<u>Type of transaction/accounts name</u>				
<u>Subsidiary</u>				
- Revenues from advertising film production				
Goody Film BKK Co., Ltd.	-	-	-	89,500.00
Matching Entertainment Co., Ltd.	-	-	-	112,750.00
Matching Studio Plus Co., Ltd.	-	-	2,842,679.00	4,602,774.00
Matching Movie Town Co., Ltd.	-	-	-	2,000,000.00
Total	-	-	2,842,679.00	6,805,024.00
- Revenues from television programs				
Matching Broadcast Co., Ltd.	-	-	150,000.00	-
Matching Movie Town Co., Ltd.	-	-	2,955,000.00	-
	-	-	3,105,000.00	-
<u>Related companies</u>				
- Revenues from television programs				
Bangkok Broadcasting and T.V.Co.,Ltd.	6,129,500.00	-	6,129,500.00	-
- Revenue from show/events organizing				
The BBTV Productions Co.,Ltd.	7,651,957.34	-	-	-
- Revenues from advertising film production				
Bangkok Broadcasting and T.V.Co.,Ltd.	500,000.00	-	500,000.00	-
- Other income				
<u>Interest income</u>				
Gear Head Co., Ltd.	-	-	2,820,000.00	2,820,000.00
Matching Entertainment Co., Ltd.	-	-	1,597,347.95	3,529,109.56
Matching Movie Town Co., Ltd.	-	-	1,584,000.00	2,599,183.55
Book Maker Co., Ltd.	-	-	-	73,068.50
Matching Studio Plus Co., Ltd.	-	-	60,000.00	250,684.91
Total	-	-	6,061,347.95	9,272,046.52
<u>Other</u>				
Matching Entertainment Co., Ltd.	-	-	480,000.00	480,000.00
Fatman and Little Boy Co., Ltd.	-	-	300,000.00	300,000.00
Goody Film BKK Co., Ltd.	-	-	2,160,000.00	2,160,000.00
Matching Studio Plus Co., Ltd.	-	-	1,800,000.00	1,365,000.00
Matching Movie Town Co., Ltd.	-	-	60,000.00	60,000.00
Book Maker Co., Ltd.	-	-	40,000.00	2,260,000.00
Matching Broadcast Co., Ltd.	-	-	60,000.00	60,000.00
Total	-	-	4,900,000.00	6,685,000.00

- Expenses for the year ended December 31, 2011 and 2010 are as follow :-

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
<u>Type of transaction/accounts name</u>				
<u>Subsidiary</u>				
- Cost of services				
Gear Head Co., Ltd.	-	-	168,430.20	4,087,404.01
Matching Entertainment Co., Ltd.	-	-	549,000.00	170,000.00
Matching Studio Plus Co., Ltd.	-	-	12,106,900.00	32,140,575.00
Book Maker Co., Ltd.	-	-	1,572,500.00	260,000.00
Matching Broadcast Co., Ltd.	-	-	15,540,921.61	-
Total	-	-	29,937,751.81	36,657,979.01
- Selling expenses				
Matching Broadcast Co., Ltd.	-	-	15,000.00	-
Book Maker Co., Ltd.	-	-	15,750.00	-
Matching Movie Town Co., Ltd.	-	-	295,500.00	-
Total	-	-	326,250.00	-
<u>Related companies</u>				
- Cost of services				
Bangkok Broadcasting and T.V.Co.,Ltd.	8,153,448.00	7,872,824.00	8,153,448.00	-
The BBTv Productions Co.,Ltd.	17,584,875.00	14,553,000.00	17,584,875.00	-
Total	25,738,323.00	22,425,824.00	25,738,323.00	-
- Selling expenses				
The BBTv Productions Co.,Ltd.	55,000.00	-	-	-
- Operation expenses				
Gear Head Co., Ltd.	-	-	8,883.87	24,079.57
Book Maker Co., Ltd.	-	-	-	6,300.00
Total	-	-	8,883.87	30,379.57
- Interest expenses				
Fatman and Little Boy Co., Ltd.	-	-	419,999.99	419,999.99
Matching Broadcast Co., Ltd.	-	-	-	27,945.20
Matching Studio Plus Co., Ltd.	-	-	-	4,339.73
Total	-	-	419,999.99	452,284.92
<u>Director of the Company</u>				
- Building rental fee	2,136,947.40	2,121,947.34	1,020,000.00	1,068,000.00
- Directors and executive remuneration	38,131,623.00	35,165,233.00	25,106,023.00	16,432,033.00
Total	40,268,570.40	37,287,180.34	26,126,023.00	17,500,033.00

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.

The Company has received the transferred inter - assets in the year 2011 from Matching Broadcast Co., Ltd. are as follows (See Note 20, 21 and 22).

	(Unit :Baht)
	At book value, net
Building and equipment	1,645,288.08
Intangible asset	69,989.86
Leasehold rights	2,245,966.58
Total	<u>3,961,244.52</u>

7. CASH AND CASH EQUIPVALENTS

Consisted of:

	(Unit : Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2011	As at December 31, 2010	As at December 31, 2011	As at December 31, 2010
Cash on hand	1,004,090.84	1,180,989.84	430,000.00	405,000.00
Cash at banks - current account	2,189,835.20	394,087.21	55,038.33	42,590.94
Cash at banks - savings account	68,887,593.83	143,748,710.82	32,537,046.75	75,159,520.86
Total	<u>72,081,519.87</u>	<u>145,323,787.87</u>	<u>33,022,085.08</u>	<u>75,607,111.80</u>

As at December 31, 2011 and 2010, savings account's company and its subsidiaries earned interest rate at 0.75% per annum and 0.25% per annum, respectively.

8. SAVINGS ACCOUNT USING FOR GUARANTEE

As at December 31, 2011 and 2010, the Company has a savings account with a local commercial bank with interest rate at 0.75% per annum and 0.25% per annum, respectively, to secure of issuing the letter of guarantee for advertising film Production contract of the same bank which term are not exceed 1 year.

9. CURRENT INVESTMENT

Consisted of:

	(Unit : Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
Cash at banks - fixed account - 12 months	1,023,313.68	546,277.38	-	-
Bill of exchanges - 6 months	31,500,000.00	1,500,000.00	20,000,000.00	-
Total	<u>32,523,313.68</u>	<u>2,046,277.38</u>	<u>20,000,000.00</u>	<u>-</u>

As at December 31, 2011 and 2010, the Company and two subsidiaries have cash at bank - fixed deposit accounts, and bill of exchanges which term are not exceed 1 year, with the interest rate at 1.37-3.60 % per annum and 0.50 - 1.75% per annum, respectively.

10. TRADE ACCOUNTS

Consisted of:

(Unit : Baht)				
	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
Aging of trade accounts receivables : -				
Undue	93,595,882.21	101,628,349.93	39,295,214.11	11,553,726.96
Less than 3 months	38,573,291.36	32,362,298.03	11,085,200.00	144,030.24
Over 3 months but not over 6 months	5,080,601.80	5,263,494.02	44,405.00	521,999.50
Over 6 months but not over 12 months	4,169,778.94	3,522,028.99	3,745,000.00	2,907,725.00
Over 12 months	3,834,939.14	9,229,236.26	2,621,500.00	3,849,700.00
Total	145,254,493.45	152,005,407.23	56,791,319.11	18,977,181.70
Trade accounts receivable-unbilled	38,336,099.54	55,947,973.47	25,186,915.89	35,426,956.51
Total trade accounts	183,590,592.99	207,953,380.70	81,978,235.00	54,404,138.21
<u>Less</u> Allowance for doubtful debts	(7,112,489.66)	(16,793,927.76)	(4,746,118.75)	(6,958,424.50)
Allowance for returned goods	(1,746,200.00)	(786,825.00)	-	-
Contractual deposit	(656,915.00)	(1,470,826.25)	(45,115.00)	(490,000.00)
Prepaid Income	(4,282,405.00)	(265,733.32)	(1,282,005.00)	-
Net	169,792,583.33	188,636,068.37	75,904,996.25	46,955,713.71

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

(Unit : Baht)				
	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
Beginning balance	16,793,927.76	14,426,057.49	6,958,424.50	5,499,700.00
Additional during the year	4,284,775.03	8,693,169.53	2,124,618.75	3,108,724.50
Deduction during the year	(13,966,213.13)	(6,325,299.26)	(4,336,924.50)	(1,650,000.00)
Ending balance	7,112,489.66	16,793,927.76	4,746,118.75	6,958,424.50

According to the resolution of the board of director's meeting no. 9/2011, held on September 23, 2011, it has anonymously approved to write off 11 entries of long-time outstanding of accounts receivable (since 2003 to 2009) of the Company and its Subsidiaries in the total amount of Baht 13.84 million. The Company had brought the cases to a law court for adjudication and the court ruled that the account receivable had to make payments to the Company and its Subsidiaries. Moreover, the Company and its Subsidiaries also conducted a follow-up, but the accounts receivable can not pay debts.

During the year 2011, the Company and its Subsidiaries have received the debts in the total amount of Baht 0.80 million from accounts receivable which were fully provisioned the allowance for doubtful account. Therefore, the Company has reversed the allowance for doubtful account in full at the same amount.

Furthermore, the board also has anonymously approved the new accounting policy relating the method of providing the allowance for doubtful accounts and bad debt written-off of accounts receivable. The impact of changes to the consolidated financial statements are increased allowance for doubtful accounts of Baht 3.25 million and decreased profit for the year in the same amount. The impact to separate financial statement are increased allowance for doubtful accounts of Baht 1.12 million and decreased profit for the year in the same amount.

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

There were movements in the separate financial statements as follows:

	2011				(Unit : Baht)
	Matching	Gear Head	Matching	Matching Studio	Total
	Entertainment	Co., Ltd.	Movie Town	Plus Co., Ltd.	
	Co., Ltd.		Co., Ltd.		
Short-term loans to subsidiaries					
Beginning Balance	58,300,000.00	47,000,000.00	39,000,000.00	5,000,000.00	149,300,000.00
Increase in the year	10,200,000.00	-	6,450,000.00	-	16,650,000.00
Repayment in the year	(46,400,000.00)	-	(23,100,000.00)	(5,000,000.00)	(74,500,000.00)
Ending Balance	22,100,000.00	47,000,000.00	22,350,000.00	-	91,450,000.00
<u>Less</u> Allowance for doubtful debts	(14,367,127.39)	-	(21,408,861.67)	-	(35,775,989.06)
Loans to subsidiaries-net	7,732,872.61	47,000,000.00	941,138.33	-	55,674,010.94
Accrued interest income					
Beginning Balance	1,150,000.00	3,833,271.46	-	-	4,983,271.46
Increase in the year	1,597,347.95	2,820,000.00	1,584,000.00	60,000.00	6,061,347.95
Repayment in the year	(1,837,347.95)	(6,653,271.46)	(1,584,000.00)	(60,000.00)	(10,134,619.41)
Ending Balance	910,000.00	-	-	-	910,000.00
Total short-term loans and accrued interest income to subsidiaries-net	8,642,872.61	47,000,000.00	941,138.33	-	56,584,010.94

	2010					(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
<u>Less</u> 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
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)	
	2011	2010
Beginning balance	69,778,441.77	78,103,798.93
Additional during the year	4,871,270.64	9,514,323.92
Deduction during the year	(38,873,723.35)	(17,839,681.08)
Ending balance	35,775,989.06	69,778,441.77

As at December 31, 2011, short-term loan to subsidiaries is a term 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 and during the year 2011 and 2010, the Company has reversed the allowance for doubtful debts account of such debt in the total amount of Baht 38.87 million and 17.84 million, respectively.

12. INVENTORIES AND WORK IN PRODUCTIONS - NET

Consisted of:

	(Unit : Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
T.V. programs in production	2,925,524.25	2,320,114.95	2,925,524.25	803,650.00
Movie in production	-	352,805.34	-	200,000.00
Magazines	26,197.00	55,587.12	-	-
Supplies	2,322,043.64	2,902,162.25	-	-
Show in production	55,982.61	-	-	-
Others	40,893.38	42,151.99	-	-
Total	5,370,640.88	5,672,821.65	2,925,524.25	1,003,650.00
<u>Less</u> provision for declining in value of inventories	(815,870.15)	-	-	-
Net	4,554,770.73	5,672,821.65	2,925,524.25	1,003,650.00
Declining in value of inventory recognized as cost of goods sold for the year	815,870.15	-	-	-

As at December 31, 2011, a subsidiary has set aside provision for declining in value of inventories - film for making motion pictures in the full amount of Baht 0.82 million. Due to the popularity of the film has been reduced by using a digital camera instead.

13. LOANS TO EMPLOYEES

Consisted of :

	(Unit : Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
Beginning balance	325,996.03	199,041.30	123,260.36	90,740.97
Increase in the year	305,000.00	681,000.00	305,000.00	247,000.00
Repayment in the year	(477,912.17)	(554,045.27)	(312,469.84)	(214,480.61)
Ending balance	153,083.86	325,996.03	115,790.52	123,260.36

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

14. OTHER CURRENT ASSETS

Consisted of :

	(Unit : Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
Advance payment	1,770,354.88	6,697,965.75	418,005.00	54,690.41
Other accounts receivable	5,279,312.46	5,275,044.03	-	-
<u>Less</u> Allowance for doubtful debt	(5,275,044.03)	(5,275,044.03)	-	-
Other accounts receivable-net	4,268.43	-	-	-
Prepaid insurance fee	2,667,380.68	2,561,924.55	293,980.06	186,447.09
Input tax invoices to be issued	1,160,121.99	4,738,414.05	554,410.80	856,101.33
Deposit	-	455,000.00	-	400,000.00
Withholding tax within 1 year	9,875,820.29	12,597,689.40	2,874,103.87	4,714,468.98
Other	1,845,452.73	1,591,315.97	583,152.68	349,729.31
Total	17,323,399.00	28,642,309.72	4,723,652.41	6,561,437.12

Other accounts receivable of Baht 5.28 million incurred since 2007 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. Then, the subsidiary set aside of allowance you doubtful debt in full amount.

15. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURE

(Unit : Baht)

Separate Financial Statements									
As at December, 2011				As at December 31, 2010					
Paid-up share capital (Unit:Thousand Baht)	Percentage of shareholding	Cost Method	Allowance Impairment	Net	Dividend	Cost Method	Allowance Impairment	Net	Dividend
2011	2010	2011	2010						
Subsidiaries									
Matching Entertainment Co., Ltd.	80,000	40,000	100.00	100.00	80,000,000.00	(80,000,000.00)	-	-	-
Gear Head Co., Ltd.	130,000	130,000	100.00	100.00	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	-	-
Matching Studio Plus Co., Ltd.	158,000	130,000	100.00	100.00	158,000,000.00	(113,640,937.47)	44,359,062.53	-	-
Matching Broadcast Co., Ltd.	10,000	10,000	100.00	100.00	10,000,000.00	-	10,000,000.00	-	-
Matching Movie Town Co., Ltd.	50,000	50,000	100.00	100.00	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	-	-
Goody Film BKK Co., Ltd.	1,000	1,000	60.00	60.00	600,000.00	-	1,198,800.00	600,000.00	-
Total investments					437,600,000.00	(243,640,937.47)	193,959,062.53	35,696,385.00	369,600,000.00
							(203,626,505.83)	165,973,494.17	-



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

	(Unit : Baht)	
	2011	2010
Beginning balance	203,626,505.83	297,459,495.32
Additional during the year	40,014,431.64	-
Deduction during the year	-	(93,832,989.49)
Ending balance	243,640,937.47	203,626,505.83

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

During 2011, according to the extra-ordinary shareholders' meeting of Matching Entertainment Co., Ltd. No.1/2011 held on March 17, 2011, the shareholders unanimously approved to increase the Company's authorized capital from Baht 40.00 million to Baht 80.00 million by issued share capital of 400,000 ordinary share of Baht 100.00 each total amount Baht 40.00 million on March 22, 2011, and fully paid up. The capital increase has been registered with the ministry of commerce on March 15, 2011. Later, the subsidiary has used the money from increased share capital of Baht 37.00 million to repay the loan to the parent company at the same date.

And at according to the extra-ordinary shareholders' meeting of Matching Studio Plus Co., Ltd. No.1/2011 held on March 14, 2011, the shareholders unanimously approved to increase the Company's authorized capital from Baht 130.00 million to Baht 158.00 million by issued share capital of 280,000 ordinary share of Baht 100.00 each total amount Baht 28.00 million on March 15, 2011, and fully paid up. The capital increase has been registered with the ministry of commerce on March 14, 2011. Later, the subsidiary has used the money from increased share capital of Baht 18.51 million to pay debt to trade receivable and Baht 5.00 million to repay the loan to the parent company at the same date.

16. FIXED DEPOSIT USING FOR GUARANTEE

As at December 31, 2011 and 2010, the Company has fixed deposit with a local commercial bank with an annual interest rate at 1.37 - 1.87% per annum and 0.50 - 0.75% per annum, respectively to secure of the letter of guarantee issued by a local commercial bank for using electricity in the amount of Baht 0.28 million.

17. LOANS TO OTHER COMPANY

Consisted of :

	(Unit : Baht)	
	Consolidated Financial Statements	
	2011	2010
Loans - Kin-im non-aun Co., Ltd.	-	1,500,000.00
<u>Less</u> Allowance for doubtful debts	-	(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.

The management was keeping a continuous of debt collection until to the end but cannot collect money from the accounts receivable. As a result, according to the minutes of Board of director No.9/2554 held on September 23, 2554, it has approved to fully write-off of accounts receivable.

18. PROPERTY INVESTMENTS

Consisted of :

	(Unit : Baht)	
	Consolidated Financial Statements	
	2011	2010
Land (Prachuapkhirikhan 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 which 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.26.2 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.

As at December 31, 2011, land in Prachuabkirikhan Province has fair value of Baht 18,360,000.00 from the independent Appraiser on November 3, 2008. and land with buildings in Kanchanaburi Province, which is unable to find the fair value.

19. ASSETS FOR LEASES

Consisted of :

	(Unit : Baht)					
	Consolidated Financial Statements					
	Balance per book Dec. 31, 2010	Additions	Deductions	Transferred in	Transferred out	Balance per book Dec. 31, 2011
<u>At cost</u>						
Production equipment	395,157,360.44	29,757,712.74	(1,844,429.05)	336,565.27	(12,600.00)	423,394,609.40
Equipment and supply						
for film production	8,645,809.58	2,567,655.79	(1,383,154.26)	-	-	9,830,311.11
Vehicles	96,704,137.86	2,622,828.03	(1,544,976.36)	-	-	97,781,989.53
Work in progress	444,066.17	1,634,274.35	-	-	-	2,078,340.52
Total	500,951,374.05	36,582,470.91	(4,772,559.67)	336,565.27	(12,600.00)	533,085,250.56
<u>Less</u> Accumulated depreciation						
Production equipment	285,444,467.81	22,679,235.10	(1,751,300.85)	334,738.19	(12,599.00)	306,694,541.25
Equipment and supply						
for film production	4,955,406.26	2,729,473.53	(1,383,140.26)	-	-	6,301,739.53
Vehicles	78,787,125.70	2,153,182.95	(1,322,761.94)	-	-	79,617,546.71
Total	369,186,999.77	27,561,891.58	(4,457,203.05)	334,738.19	(12,599.00)	392,613,827.49
Assets for leases - net	131,764,374.28					140,471,423.07

(Unit : Baht)

Consolidated Financial Statements					
	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
Less Accumulated depreciation					
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	<u>143,407,748.41</u>				<u>131,764,374.28</u>

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.

And since January 1, 2011, a subsidiary has changed the residual value of the leased assets under the machinery, equipment and vehicle type from formerly Baht 1 per each item of asset to be 2 - 25% of the cost set by the management and the internal specialist based on the consideration of asset condition and its expected selling price as at the termination of use. The effects of the change on the consolidated financial statements for the year ended December 31, 2011 are to decrease depreciation expenses by Baht 6.31 million and increase profit for the year by the same amount.

During the year 2011, a subsidiary company has investment in fixed asset about equipment for filming movies, crane, including equipment and production equipment in the total amount of Baht 36.58 million for the purpose of serving customers need.

As at December 31, 2011 and 2010, assets for leases that are fully depreciated but still in use are presented at cost amounted to Baht 198.87 million and Baht 180.97 million, respectively.

20. EQUIPMENT

Consisted of :

(Unit : Baht)

	Consolidated Financial Statements				
	Balance per book	Additions	Deductions	Transferred in	Transferred
	Dec. 31, 2010				out
<u>At cost</u>					
Production equipment	28,590,428.67	254,337.11	(1,220,647.37)	-	-
Computer and equipment	26,825,823.35	2,597,504.18	(4,616,625.46)	-	-
Furniture and fixture	55,307,189.61	1,441,867.70	(2,110,483.29)	-	(323,965.27)
Vehicles	20,892,800.41	1,241,191.50	(1,000,097.29)	-	-
Total	131,616,242.04	5,534,900.49	(8,947,853.41)	-	(323,965.27)
<u>Less Accumulated depreciation</u>					
Production equipment	26,679,274.65	866,699.73	(1,220,585.37)	-	-
Computer and equipment	24,554,592.94	1,138,923.42	(4,606,371.05)	-	-
Furniture and fixture	50,313,976.33	2,656,078.72	(2,078,260.59)	-	(322,139.19)
Vehicles	16,850,446.37	1,365,588.46	(1,000,085.29)	-	-
Total	118,398,290.29	6,027,290.33	(8,905,302.30)	-	(322,139.19)
<u>Less Allowance for asset impairment</u>					
Production equipment	19,240.38	-	-	-	-
Computer and equipment	67,545.74	-	-	-	-
Furniture and fixture	1,122.62	-	-	-	-
Total	87,908.74	-	-	-	-
Equipment-net	13,130,043.01				

(Unit : Baht)

	Consolidated Financial Statements			
	Balance per book	Additions	Deductions	Transferred
	Dec. 31, 2009			out
<u>At cost</u>				
Production equipment	30,962,321.02	364,539.88	(2,710,280.37)	(26,151.86)
Computer and equipment	26,778,574.79	1,197,458.43	(1,081,007.46)	(69,202.41)
Furniture and fixture	55,523,318.02	1,195,907.94	(1,283,728.88)	(128,307.47)
Vehicles	20,892,800.41	-	-	-
Total	134,157,014.24	2,757,906.25	(5,075,016.71)	(223,661.74)
<u>Less Accumulated depreciation</u>				
Production equipment	26,165,659.18	2,422,645.32	(1,882,880.99)	(26,148.86)
Computer and equipment	24,463,489.58	1,218,384.14	(1,058,449.03)	(68,831.75)
Furniture and fixture	48,502,331.86	3,212,002.47	(1,272,054.53)	(128,303.47)
Vehicles	15,110,716.21	1,739,730.16	-	-
Total	114,242,196.83	8,592,762.09	(4,213,384.55)	(223,284.08)
<u>Less Allowance for asset impairment</u>				
Production equipment	615,207.01	-	(595,966.63)	-
Computer and equipment	67,545.74	-	-	-
Furniture and fixture	1,122.62	-	-	-
Total	683,875.37	-	(595,966.63)	-
Equipment-net	19,230,942.04			

(Unit : Baht)

Separate Financial Statements				
	Balance per book Dec. 31, 2010	Additions	Deductions	Balance per book Dec. 31, 2011
<u>At cost</u>				
Production equipment	25,997,043.77	392,829.97	(1,220,647.37)	25,169,226.37
Computer and equipment	15,089,604.46	2,173,821.40	(4,435,833.22)	12,827,592.64
Furniture and fixture	34,653,924.92	811,886.16	(1,554,212.32)	33,911,598.76
Vehicles	9,593,923.02	2,290,191.50	(2,776,305.64)	9,107,808.88
Total	85,334,496.17	5,668,729.03	(9,986,998.55)	81,016,226.65
<u>Less</u> Accumulated depreciation				
Production equipment	24,662,890.69	704,183.20	(1,220,585.37)	24,146,488.52
Computer and equipment	13,810,683.31	822,254.00	(4,426,616.71)	10,206,320.60
Furniture and fixture	31,942,951.06	1,622,233.45	(1,547,163.25)	32,018,021.26
Vehicles	6,757,476.66	1,141,388.61	(2,768,166.33)	5,130,698.94
Total	77,174,001.72	4,290,059.26	(9,962,531.66)	71,501,529.32
Equipment-net	8,160,494.45			9,514,697.33

(Unit : Baht)

Separate Financial Statements				
	Balance per book Dec. 31, 2009	Additions	Deductions	Balance per book Dec. 31, 2010
<u>At cost</u>				
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
<u>Less</u> 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
Equipment-net	12,807,226.89			8,160,494.45

At according to the director's approval on May 31, 2011, the Company was approved to purchase all fixed assets at the book value from Matching Broadcast Co., Ltd. in the total amount of Baht 1.65 million. Because the Company required to add up the television production to the Company's business.

The listed of transfer assets as follow :

	(unit : Baht)		
	At cost	Accumulated depreciation	Net
Production equipment	1,006,248.60	(770,272.20)	235,976.40
Computer and equipment	5,928,131.44	(5,685,239.07)	242,892.37
Furniture and fixture	1,323,689.24	(1,206,269.93)	117,419.31
Vehicles	1,902,559.88	(853,559.88)	1,049,000.00
Total	10,160,629.16	(8,515,341.08)	1,645,288.08

During the year 2011, the management of the Company has approved to sales obsolete fixed assets, at the cost of Baht 4.86 million and the book value of Baht 8,292.12 . The Company recorded gain on sales of fixed assets amount of Baht 0.33 million.

As at December 31, 2011 and 2010, vehicles and production equipment as appeared in the consolidated statements of financial position and in the separate statements of financial position at the book value at the amount of Baht 1.84 million and Baht 2.48 million, respectively, are under financial lease contracts as mentioned in the notes to financial statements No. 27

As at December 31, 2011 and 2010, equipment that are fully depreciated but still in use are presented in the consolidated statements of financial position at the cost of Baht 91.11 million and Baht 92.46 million, respectively and in the separate statements of financial position at the cost of Baht 61.45 million and Baht 56.92 million, respectively.

21. INTANGIBLE ASSETS

Consisted of :

	(Unit : Baht)				
	Consolidated Financial Statements				
	Balance per book Dec. 31, 2010	Additions	Deductions	Transferred (Transferred out)	Balance per book Dec. 31, 2011
<u>At cost</u>					
Software	4,854,345.28	251,600.00	-	1,105,000.00	6,210,945.28
Software in progress	1,105,000.00	-	-	(1,105,000.00)	-
Royalty	45,500.00	-	-	-	45,500.00
Total	6,004,845.28	251,600.00	-	-	6,256,445.28
<u>Less</u> Accumulated amortization	3,758,867.14	562,931.31	-	-	4,321,798.45
Intangible assets - net	2,245,978.14				1,934,646.83

	(Unit : Baht)				
	Consolidated Financial Statements				
	Balance per book Dec. 31, 2009	Additions	Deductions	Transferred (Transferred out)	Balance per book 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</u> Accumulated amortization	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 Financial Statements				
	Balance per book	Additions	Deductions	Transferred	Balance per book
	Dec. 31, 2010			(Transferred out)	Dec. 31, 2011
<u>At cost</u>					
Software	3,203,658.46	24,489.86	-	-	3,228,148.32
Royalty	-	45,500.00	-	-	45,500.00
Total	3,203,658.46	69,989.86	-	-	3,273,648.32
<u>Less</u> Accumulated amortization	2,437,954.02	259,643.53	-	-	2,697,597.55
Intangible assets - net	<u>765,704.44</u>				<u>576,050.77</u>

(Unit : Baht)

	Separate Financial Statements				
	Balance per book	Additions	Deductions	Transferred	Balance per book
	Dec. 31, 2009			(Transferred 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</u> Accumulated amortization	1,961,659.90	476,294.12	-	-	2,437,954.02
Intangible assets - net	<u>1,156,998.56</u>				<u>765,704.44</u>

According to the director's approval on May 31, 2011, the Company was approved to purchase all intangible assets at the book value from Matching Broadcast Co., Ltd. in the amount of Baht 0.07 Million. Because the company required to add up the television production to the Company's business.

The listed of transfer assets as follow:

	(Unit : Baht)		
	Cost	Accumulated amortization	Net
Software	78,000.00	(53,510.14)	24,489.86
Royalty	45,500.00	-	45,500.00
Total	<u>123,500.00</u>	<u>(53,510.14)</u>	<u>69,989.86</u>

As at December 31, 2011 and 2010, the intangible assets that were fully amortized but still in use were stated in the consolidated statements of financial position at cost of Baht 3.08 million and Baht 2.92 million, respectively, and in the separate statements of financial position at the cost of Baht 1.97 million and Baht 1.81 million, respectively.

22. LEASEHOLD RIGHT

Consisted of:

(Unit : Baht)

Consolidated Financial Statements					
	Balance per book Dec. 31, 2010	Additions	Deductions	Transferred (Transferred out) Dec. 31, 2011	Balance per book Dec. 31, 2011
<u>At cost</u>					
Leasehold right of land	5,000,000.00	-	-	-	5,000,000.00
Utilization right of land and improvements	3,458,062.25	28,500.00	-	-	3,486,562.25
Utilization right of studio building	107,838,189.01	388,693.09	-	3,826,664.00	112,053,546.10
Utilization right of buildings improvement on leasehold	15,677,421.38	643,750.00	-	-	16,321,171.38
Construction in progress	2,423,709.60	1,402,954.40	-	(3,826,664.00)	-
Total	134,397,382.24	2,463,897.49	-	-	136,861,279.73
<u>Less</u> Accumulated depreciation					
Leasehold right of land	4,918,808.41	81,191.59	-	-	5,000,000.00
Utilization right of land and improvements	3,249,596.41	107,085.60	-	-	3,356,682.01
Utilization right of studio building	29,721,778.85	5,510,199.76	-	-	35,231,978.61
Utilization right of buildings improvement on leasehold	8,605,737.12	924,283.02	-	-	9,530,020.14
Total	46,495,920.79	6,622,759.97	-	-	53,118,680.76
Leasehold right - net	87,901,461.45				83,742,598.97

(Unit : Baht)

Consolidated Financial Statements				
	Balance per book Dec. 31, 2009	Additions	Deductions	Balance per book Dec. 31, 2010
<u>At cost</u>				
Leasehold right of land	5,000,000.00	-	-	5,000,000.00
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	-	2,423,709.60	-	2,423,709.60
Total	131,463,672.64	2,933,709.60	-	134,397,382.24
<u>Less</u> Accumulated depreciation				
Leasehold right of land	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
Total	39,667,910.12	6,828,010.67	-	46,495,920.79
Leasehold right - net	91,795,762.52			87,901,461.45

(Unit : Baht)

	Separate Financial Statements				
	Balance per book	Additions	Deductions	Transferred	Balance per book
	Dec. 31, 2010			(Transferred out)	Dec. 31, 2011
<u>At cost</u>					
Leasehold right of land	5,000,000.00	-	-	-	5,000,000.00
Utilization right of studio building	92,298,320.98	-	-	1,726,664.00	94,024,984.98
Utilization right of buildings improvement on leasehold	14,959,512.51	2,889,716.58	-	-	17,849,229.09
Work in progress	1,163,709.60	562,954.40	-	(1,726,664.00)	-
Total	113,421,543.09	3,452,670.98	-	-	116,874,214.07
<u>Less Accumulated depreciation</u>					
Leasehold right of land	4,918,808.41	81,191.59	-	-	5,000,000.00
Utilization right of studio building	23,602,700.73	4,643,772.60	-	-	28,246,473.33
Utilization right of buildings improvement on leasehold	8,500,008.92	884,520.96	-	-	9,384,529.88
Total	37,021,518.06	5,609,485.15	-	-	42,631,003.21
Leasehold right - net	76,400,025.03				74,243,210.86

(Unit : Baht)

	Separate Financial Statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2009			Dec. 31, 2010
<u>At cost</u>				
Leasehold right of land	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
Total	112,257,833.49	1,163,709.60	-	113,421,543.09
<u>Less Accumulated depreciation</u>				
Leasehold right of land	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
Total	31,216,803.07	5,804,714.99	-	37,021,518.06
Leasehold right - net	81,041,030.42			76,400,025.03

According to the director's approval on May 31, 2011, the Company was approved to purchase all leasehold right at the book value from Matching Broadcast Co., Ltd. in the amount of baht 2,245,966.58. Because the Company required to add up the television production to the company's business.

The listed of transfer leasehold right as follow :

	(Unit : Baht)		
	At cost	Accumulated depreciation	Net
Utilization right of buildings improvement on leasehold	2,367,908.87	(121,942.29)	2,245,966.58

As at December 31, 2011 and 2010, the Company and a subsidiary have rights to utilize studio buildings and building improvements on leasehold rights in the net book value of Baht 76.96 million and 78.13 million, respectively. The studio buildings and building improvements are constructed on leasehold rights which have the term of agreement for 1-3 years, 9 years and 30 years. The lease-terms are able to renew when expiration of leases. In addition, the management believes that the Company and a subsidiary have ability to extend the term of lease. Furthermore, when the lease expired and no renewal, all permanent thereon will be transferred to the landlord at immediately.

As at December 31, 2011 and 2010, the fully amortized building improvements on leasehold rights but are still in use are stated on consolidated statement of financial position at cost of Baht 11.56 million and 5.25 million, respectively. (separate statement position of Baht 8.21 million and 1.95 million, respectively.)

23. OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Consisted of :

	(Unit : Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
Bank overdrafts	361,687.76	921,093.35	351,987.76	395,045.64
Total	361,687.76	921,093.35	351,987.76	395,045.64

As at December 31, 2011 and 2010, the consolidated statements financial of position 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 statements financial of position 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, 2011 and 2010, the consolidated statements financial of position and the separate statements financial of position had short-term loans with a financial institution for one credit limit of Baht 50.00 million with interest rate at MLR-1.00% per annum which the credit in unsecured.

24. CURRENT PORTION OF LONG-TERM LIABILITIES

Consisted of :

	(Unit : Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2011	As at December 31, 2010	As at December 31, 2011	As at December 31, 2010
Long-term loans from financial institutions	5,004,000.00	16,073,743.07	-	7,608,000.00
Liabilities under financial lease contracts	480,571.42	664,756.09	480,571.42	664,756.09
Total	5,484,571.42	16,738,499.16	480,571.42	8,272,756.09

25. SHORT-TERM LOANS FROM SUBSIDIARIES

For the year ended December 31, 2011, there were movements in the separate statement of financial position as follows:

	(Unit : Baht)
	Fatman and Little Boy Co., Ltd.
Short-term loans from subsidiaries :-	
Beginning Balance	7,000,000.00
Increase in the year	-
Repayment in the year	-
Ending Balance	<u>7,000,000.00</u>

As at December 31, 2011 and 2010, 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.

26. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Consisted of :

	(Unit : Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
25.1) Long-term loan the credit of Baht135.00 million	-	3,335,587.01	-	-
25.2) Long-term loan the credit of Baht 9.00 million	-	126,156.06	-	-
25.3) Long-term loan the credit of Baht38.00 million	-	24,052,000.00	-	24,052,000.00
25.4) Long-term loan the credit of Baht25.00 million	10,405,000.00	15,409,000.00	-	-
Total	10,405,000.00	42,922,743.07	-	24,052,000.00
<u>Less</u> Current portion due within one year	(5,004,000.00)	(16,073,743.07)	-	(7,608,000.00)
Net	<u>5,401,000.00</u>	<u>26,849,000.00</u>	<u>-</u>	<u>16,444,000.00</u>

As at December 31, 2011 and 2010, the Company and subsidiaries have long-term loans from financial institutions as follow:

- 26.1) 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. As at December 31, 2011, the Company has completed of repayment the loan.
- 26.2) 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. As at December 31, 2011, the Company has completed of repayment the loan.

- 26.3) 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. As at December 31, 2011, the Company has completed of repayment the loan Baht 24.05 million.
- 26.4) 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.

27. LIABILITIES UNDER FINANCIAL LEASE CONTRACTS

Consisted of :

	(Unit : Baht)	
	Consolidated/Separate Financial Statements	
	2011	2010
Liabilities under financial lease contracts	1,589,091.79	2,369,463.62
<u>Less</u> Deferred interest	(141,920.56)	(257,536.30)
Total	1,447,171.23	2,111,927.32
<u>Less</u> Current portion due within one year	(480,571.42)	(664,756.09)
Net	966,599.81	1,447,171.23

As at December 31, 2011 and 2010, the Company has long-term financial lease contracts on vehicles with leasing companies in Thailand. In the consolidated and the separate statement of financial position, these long-term financial lease consist of 1 contracts and must be repaid at Baht 0.05 million per month (Included VAT) and 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.

28. EMPLOYEE BENEFIT OBLIGATIONS

The Company adopted TAS 19 Employee Benefits with effect from January 1, 2011 and the effect on the financial statements is disclosed in note 5.

The statements of financial position

For the year ended December 31, 2011

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
Defined benefit obligations at January 1, 2011	11,773,676.00	3,273,625.00
Current service costs and interest	1,558,596.98	468,296.00
Benefits paid by the plan	(249,888.00)	-
Defined benefit obligations at December 31, 2011	13,082,384.98	3,741,921.00

The statements of comprehensive income

For the year ended December 31, 2011

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
Current service costs		
Cost of services	168,386.97	49,368.98
Selling expenses	33,152.00	16,356.00
Administrative expenses	881,388.98	275,979.01
Interest on obligation	475,669.03	126,592.01
Total	1,558,596.98	468,296.00

Principal actuarial assumptions at the reporting date

For the year ended December 31, 2011

	Percentage
Discount rate	4.10
Salary increase rate	3, 5
Employee turnover rate	12, 20
Mortality rate	-

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 2011, the warrant holders have not exercised MATCH - W2.

As at December 31, 2011, the Company has the warrant outstanding 58,259,363 units.

29.2 For 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. And 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. Totally increase capital is in 48,060,000 ordinary shares, in the amount of Baht 66,129,000.00. The Company has registered the share capital increase with the Stock Exchange of Thailand and could commence trading in the Stock Exchange.

For the year 2011, having no warrant exercise from holders.

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

Parent

According to the ordinary shareholders' meeting of Matching Maximize Solution Public Company Limited held on April 28, 2011, the shareholders unanimously approved to pay dividend in the amount of Baht 5.18 million, appropriated for 259,143,807 shares of Baht 0.02 each, and set the legal reserve in the amount of Baht 0.28 million. The Company paid dividend in May 2011.

According to Minutes of the Board of Directors No. 8/2554 held on August 10, 2011, the shareholders unanimously approved to pay dividend in the amount of Baht 12.96 million, appropriated for 259,143,807 shares of Baht 0.05 each. The Company paid dividend in September 2011.

Total dividends paid for the year 2011 are in the amount of Baht 18.14 million.

Subsidiaries

According to the ordinary shareholders' meeting of Goody Film BKK Co., Ltd. held on April 27, 2011, the shareholders unanimously approved to pay dividend in the amount of Baht 2 million, appropriated for 10,000 shares of Baht 200 each. The Company paid dividend in May 2009.

According to the ordinary shareholders' meeting of Matching Broadcast Co., Ltd. held on April 25, 2011, the shareholders unanimously approved to pay dividend in the amount of Baht 30 million, appropriated for 100,000 shares of Baht 300 each. The Company paid dividend in April 2011.

Later in the same year of 2011 according to the board of director's meeting of Matching Broadcast Co.,Ltd. No.30/2011, held on November 11, 2011, it has approved to pay interim dividend in the amount of Baht 4.5 million, appropriated for 100,000 share of Baht 45 each. The Company pay dividend in December 2011.

Total dividends paid for the year 2011 are in the amount of Baht 34.50 million.

32. EXPENSES BY NATURE

Significant expenses by nature are as follow :

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
Depreciation and amortization	40,774,873.19	46,742,842.33	10,159,187.94	11,911,792.52
Employee benefit costs	207,604,136.96	198,217,367.34	60,446,673.08	30,845,317.61
Employee benefit expense	1,558,596.98	-	468,296.00	-
Directors and executive remuneration	38,131,623.00	35,165,233.00	25,106,023.00	16,432,033.00
Service charge from outsource	81,808,288.09	104,187,660.79	7,004,868.56	17,341,924.11
Rental charge	50,729,918.20	45,429,964.81	32,408,333.78	9,355,973.80
Commission	5,905,761.72	7,191,271.66	4,778,016.88	1,843,000.66

33. CORPORATE INCOME TAX

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

34. EARNINGS PER SHARE

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

Diluted earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares held by outside shareholders which are issued during the year 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	
	2011	2010	2011	2010
Profit for the year (Baht)				
Profit attributable to equity holders of the parent	13,827,821.62	28,076,401.84	31,724,798.37	5,516,168.09
Weighted average number of ordinary shares (Shares)	259,143,807	223,377,408	259,143,807	223,377,408
Number of share under warrant (ESOP-W2) (shares)	-	-	-	-
Number of share that would have been issue at fair value of ESOP-W2 (shares)	-	-	-	-
Number of share under warrant (MATCH-W2) (shares)	58,259,363	91,922,157	58,259,363	91,922,157
Number of share that would have been issue at fair value of MATCH-W2 (shares)	(39,981,916)	(62,169,575)	(39,981,916)	(62,169,575)
Ordinary shares plus assumed conversions (shares)	277,421,254	253,129,990	277,421,254	253,129,990
Basic earnings per share (Baht per share)				
Profit attributable to share holders of the parent	0.05	0.13	0.12	0.02
Diluted earnings per share (Baht per share)				
Profit attributable to share holders of the parent	0.05	0.11	0.11	0.02



35. DISCLOSURE OF SECTORAL BUSINESS OPERATIONS

(Unit : Million Baht)

Consolidated financial statements																				
For the years ended December 31, 2011 and 2010																				
	Business of Advertising		Movies production		T.V. Program Production		Shows Production		Services and Rental Equipments		Sales of Goods		Publishing		Photograph and Outdoor media Production		Transaction /Account to be Eliminated		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from outsiders	158.71	259.25	-	-	154.43	125.76	31.79	33.77	180.45	183.08	6.32	7.53	64.17	49.16	-	-	-	-	595.87	658.55
Revenue from related entities	14.98	39.36	-	-	18.74	68.50	2.28	4.35	9.37	17.82	0.94	1.84	0.02	0.01	-	-	(46.33)	(131.88)	-	-
Total revenue	173.69	298.61	-	-	173.17	194.26	34.07	38.12	189.82	200.90	7.26	9.37	64.19	49.17	-	-	(46.33)	(131.88)	595.87	658.55
Cost from outsiders	195.07	177.60	-	-	(8.20)	55.56	33.34	25.65	131.15	141.64	6.40	7.31	41.44	30.54	-	-	-	-	399.20	438.30
Cost from related entities	28.91	58.45	-	-	18.91	73.14	0.05	0.54	0.01	-	-	-	0.13	0.02	-	-	(48.01)	(132.15)	-	-
Total cost	223.98	236.05	-	-	10.71	128.70	33.39	26.19	131.16	141.64	6.40	7.31	41.57	30.56	-	-	(48.01)	(132.15)	399.20	438.30
Gross profit (loss)	(50.28)	62.56	-	-	162.46	65.56	0.68	11.93	58.66	59.26	0.86	2.06	22.62	18.61	-	-	1.67	0.27	196.67	220.25
Other income																			5.42	5.60
Selling expenses																			(28.65)	(28.57)
Administrative expenses																			(147.78)	(150.43)
Financial expenses																			(2.54)	(3.98)
Corporate income tax																			(10.09)	(14.86)
Net profit																			13.03	28.01
Other data																				
Capital expenditures	9.83	3.19	-	-	0.84	1.61	0.19	0.03	37.38	21.25	-	-	0.63	0.57	-	-	(4.41)	-	44.46	26.65
Depreciation	10.29	12.01	-	-	0.38	1.21	0.11	0.09	29.57	33.18	-	-	0.34	0.25	-	-	-	-	40.69	46.74
Non-cash expenses	(30.61)	(15.43)	-	-	(0.15)	0.61	0.19	5.13	3.17	0.63	-	-	1.07	0.15	-	-	34.00	18.37	7.67	9.46
As at December 31, 2011 and 2010																				
Sectoral assets	554.10	588.71	-	-	17.99	105.32	14.24	14.26	218.79	218.33	-	-	25.08	16.20	-	-	(268.19)	(314.27)	562.02	628.55
Sectoral liabilities	81.29	149.56	-	-	24.28	79.34	28.61	64.35	91.26	92.18	-	-	12.95	10.34	-	-	(107.56)	(216.09)	130.84	179.68

36. COMMITMENT AND CONTINGENT LIABILITIES

A part from liabilities reflected in the financial statements as at December 31, 2011, the Company and its subsidiaries hold other commitments as follows:

36.1 Bank commitment as follows :

	(Unit : Million Baht)	
	Consolidated	Separate
	Financial Statements	Financial Statements
Letters of Guarantee	4.39	3.32
Letters of Guarantee (Unutilized)	29.82	29.82
Letters of Credit (Unutilized)	20	-
Overdraft (Unutilized)	43	13

- 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	Separate
	Financial Statements	Financial Statements
Payable within :		
1 year	6.45	2.20
Over 1 year - 5 year	10.15	4.14
Over 5 year	17.63	14.52

36.3 Guarantees

36.3.1 The Company has letter of guarantee issued by a local bank for guarantee television time contract "PLOD NHEE" and "KHOB DEK SANGBHAAN" in the total amount of Baht 2.32 million which guaranteed by the Company.

36.3.2 The Company has letter of guarantee issued by a local bank for the two damage contracts in total amount of Baht 0.64 million which guarantee by the Company's saving account

36.3.3 A subsidiary has letter of guarantee issued by a local bank for two advertising contracts in the amount of Baht 0.76 million and for a bidding contract in the amount of Baht 0.18 million which guarantee by the Company's saving account.

36.3.4 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.

37. FINANCIAL INSTRUMENTS

37.1 Policy to manage financial risk

The Company and its subsidiaries 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 and its subsidiaries will consider to using appropriate financial instruments when it considers necessary to manage such risks. However, the Company and its subsidiaries 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 and its subsidiaries. The Company and its subsidiaries 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 and its subsidiaries 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 and its subsidiaries mainly involved with providing and receiving services in foreign currencies. As at December 31, 2011 and 2010, 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, 2011		As at December 31, 2010	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
	Assets	Assets	Assets	Assets
Asset				
USD	11,145.00	-	55,745.97	55,745.97
EUR	16,289.10	-	-	-
Liability				
USD	-	-	6,860.00	-
SGD	-	-	18,893.00	-
EUR	250,862.00	-	352.00	-

37.4 Risk on credit provision

The Company and its subsidiaries take risk on credit provision concerning trade accounts receivable. However, the Company and its subsidiaries 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 and its subsidiaries 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 and its subsidiaries management believes such financial assets and liabilities are presented in value not materially different from relevant fair value.

38. CAPITAL MANAGEMENT

The primary objective of capital management of the Company and its subsidiaries 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 financial statement as at December 31, 2011, the Company and its subsidiaries debt-to-equity ratio was 0.15 : 1 (December 31, 2010: 0.40:1) and the Company's was 0.30 : 1 (December 31, 2010: 0.20:1).

39. OTHER

Effecting to only operations of Gear Head Co., Ltd., the subsidiary has been affected by the unusually severe flooding during October-December 2011. Management is closely monitoring the situation, protect and removal the property to the safe place, therefore, the Company has usually operating business.

40. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Company's board of directors on February 24, 2012.

Other References

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