

รายงานประจำปี 2561 Annual Report 2018

STUDIO

EQUIPMENT

TV PROGRAM

POST PRODUCTION



mmS MATCHING
MAXIMIZE
SOLUTION PLC.

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



Contents

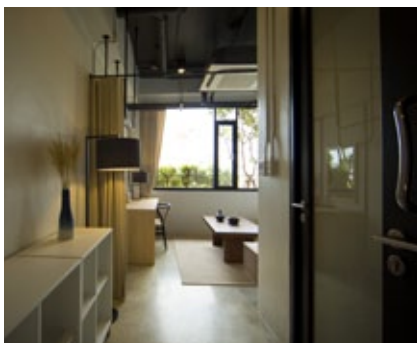
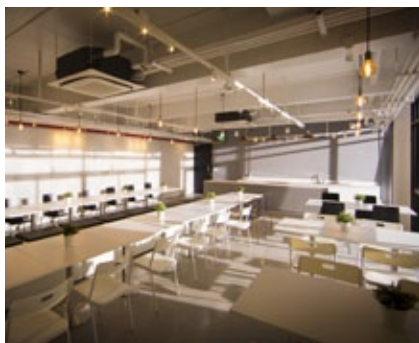
2	Summary of Financial Highlights for 2016-2018
4	Message from Chairman
5	Business Overview
7	Type of Business
19	Risk Factors
22	Shareholders
24	Management Structure
31	Detail of the Board of Director
46	Corporate Governance
69	Corporate Social Responsibility
72	Internal control and risk management
73	Audit Committee Report for 2018
76	Connected Transactions
85	Key financial ratios
86	Discussion and analysis of financial position and operation performance
91	Report of the responsibility of the Board of Directors for financial reports
92	Independent Auditor's Report
168	General Information

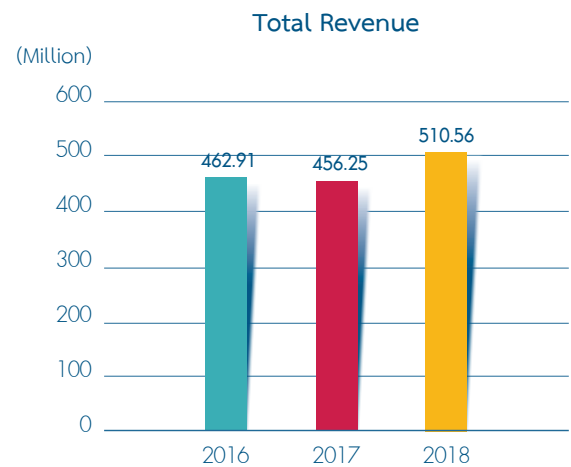
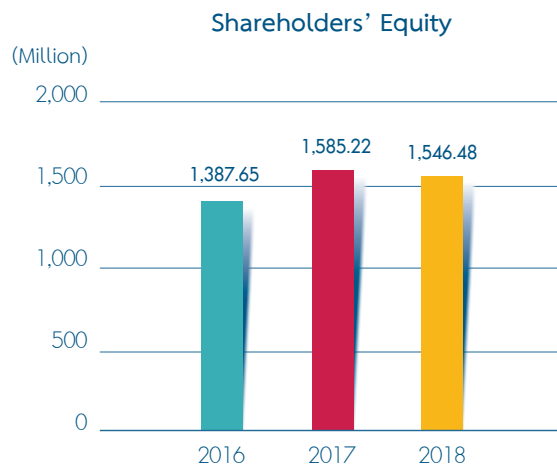
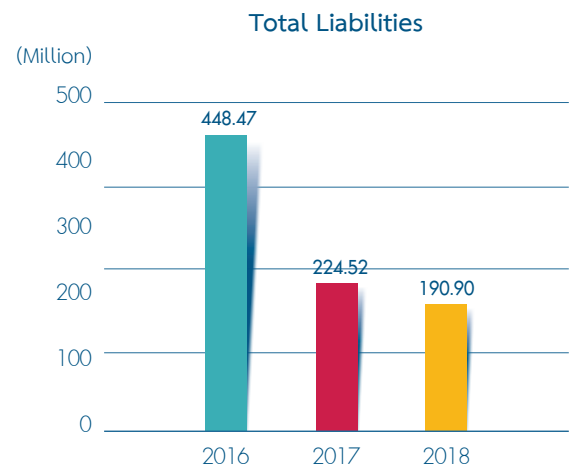
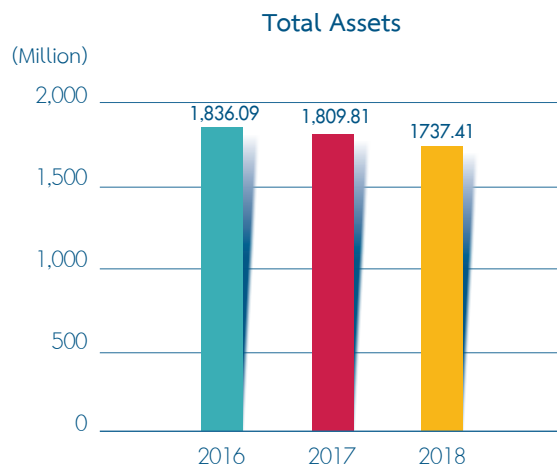


Summary of Financial Highlights for 2016-2018

Description		2016	2017	2018
Earnings Performance				
Revenue From Sales And Service	(Million)	456.67	448.41	488.00
Total Revenue		462.91	456.25	510.56
Income (Loss) attributable to Owners of the parent		(65.83)	(77.13)	(38.74)
Balance Sheet				
Total Assets	(Million)	1,836.09	1,809.81	1,737.41
Total Liabilities		448.47	224.52	190.90
Equity attributable to owners of the parent		(0.03)	0.07	0.03
Shareholders' Equity		1,387.65	1,585.22	1,546.48
Shares or details about ordinary shares				
Issued and paid-up ordinary shares	(Million Shares)	644.03	781.63	781.63
Book Value Per Share	(Baht)	2.15	2.03	1.98
Earnings Per Shares	(Baht)	(0.11)	(0.11)	(0.05)
Financial Ratios				
Net Profit Margin	(%)	(14.34)	(16.89)	(7.60)
Return on Equity	(%)	(5.07)	(5.19)	(2.48)
Return on Assets	(%)	(4.08)	(4.23)	(2.19)
Debt to Equity Ratio	time	0.32	0.14	0.12

Investors can find additional securities issuer information in the Company's Form 56-1 disclosed at www.sec.or.th or the Company's website at www.matchinggroup.com





Message from Chairman

Dear Shareholders of Matching Maximize Solution Public Company Limited

In 2018, the Thai GDP growth expanded by 4.1 percent, slightly increasing from 4.0 percent reported for 2017. The business sector changed while the competition became more intense, both among local and international firms, which had both financial and technological influence. Hence, players in the corporate sector had to adjusted themselves accordingly as well as enhance their competitiveness, with some having reduced operating costs to survive in the existing environment.

Regarding the media sector, the domestic advertising spending amounted to 122,175 million baht in 2015 and it had subsequently moved downwards until 2017 when the figure stood at 101,485 million baht. While the figure in 2018 increased slightly to 105,455 million baht, it remained lower than the figure reported for 2015 (According to the data from Nielsen Media Research). Meanwhile, the changing technology with significant influence to people's daily life has changed consumers' behavior in a way that consumers tend to access more content and information through online platform and social media. As this trend has also impacted the advertising media and TV program productions, the media needs to be made more attractive to attract or maintain the advertising spending and maintain the existing circumstances.

As an operator engaged in media production who provides state-of-the-art equipment for all kinds of media, the Company has continued to develop our personnel potential and owned production facilities meeting international standards. The Company provide standard studio facilities, both small and big sizes. In addition, the Company has secured land to support the production of all media types, ensuring our sufficient capacity to serve production of international film maker crew, event organizing, or marketing events for product launches.

In 2018, the Company reported total revenue of 488 million baht, up by 39.6 million baht or 8.8 percent when compared to the figure reported for 2017. The increase was due to good responses to our rental equipment and studio services from both domestic and international clients following a number of road shows for "The Studio Park" project aimed at promoting this studio rental project, both domestically and internationally.

For 2019 economic outlook, the Thai economy is projected to expand by approximately 3.5-4.5 percent, which should be driven by the general election as well as economic stimulus measures continued from the previous year, e.g., state investment in major infrastructures, which should help boost domestic economic expansion. Meanwhile, consumer spending is expected to be boosted and product owners are also anticipated to increase their advertising budget. Under any circumstances, the Company is committed to proactive business development as well as personnel skill enhancement in order to strengthen our organization and enhance our service efficiency to meet the satisfactory of clients, trade partners, and service receivers both domestically and internationally. Ultimately, this commitment will lead to sustainable revenue and operating performance.

On behalf of the Company's directors, I would like to express my deep gratitude to all shareholders, investors, financial institutions, suppliers, and supporters for their endless trust and support. My sincere gratitude also goes to all employees for their effort, capability and devotion. Once again, on behalf of the board of directors of Matching Maximize Solution Plc, I would like to extend my gratitude to all of you.

Yours sincerely



(Mr. Sansrit Yenbamrung)
Chairman of the Board of Directors

Business Overview

Matching Maximize Solution Public Company Limited (formerly known as Matching Studio Public Company Limited) was founded in 1992, with the initial registered capital of 1 million baht. In 2004, BBTV production Company Limited became a shareholder. At present, the Company operates TV program production business, equipment rental and services business, post production services business and studio rental and services business.

The Company's Vision and Mission:



Vision

To become a leader in the business,
which provides support to
the entertainment business at an
international level

Mission

To maintain the standard
and enhance professionalism
in the equipment rental
and services business;
and to develop an international
standard studio (NC25)
serving demand of both local
and international clients.

Business Overview

The Company's core businesses consist of TV production business and subsequent businesses under the group, i.e., equipment rental and services business, studio rental and services business, post-production business and new business which was expected to commence operation in 2019, was Production service and coordinator of feature film business. The new business is a way of business expansion from the existing core business and it will support overall entertainment businesses. The details of the Company's business are as follows:

- **TV program production business**

The Company produces TV programs broadcast in the airtime slots sublease from the TV channel and sells commercial timeslots to advertising agencies or directly to product owners. In addition, the Company also provides TV program production service for the TV channel. In 2018, the Company produced one TV program namely "Plod Nee".

- **Equipment rental and services business**

The Company provides rental equipment for filming, shooting, producing ad commercials, and TV dramas, as well as providing skillful workmen to provide technical support on the use such equipment. The rental equipment is delivered to filming sites.

- **Studio rental and services business**

The studio rental and services are provided to serve film production crew, commercial production crew both domestically and internationally, TV program producers, and event organizers.



- **Post production business**

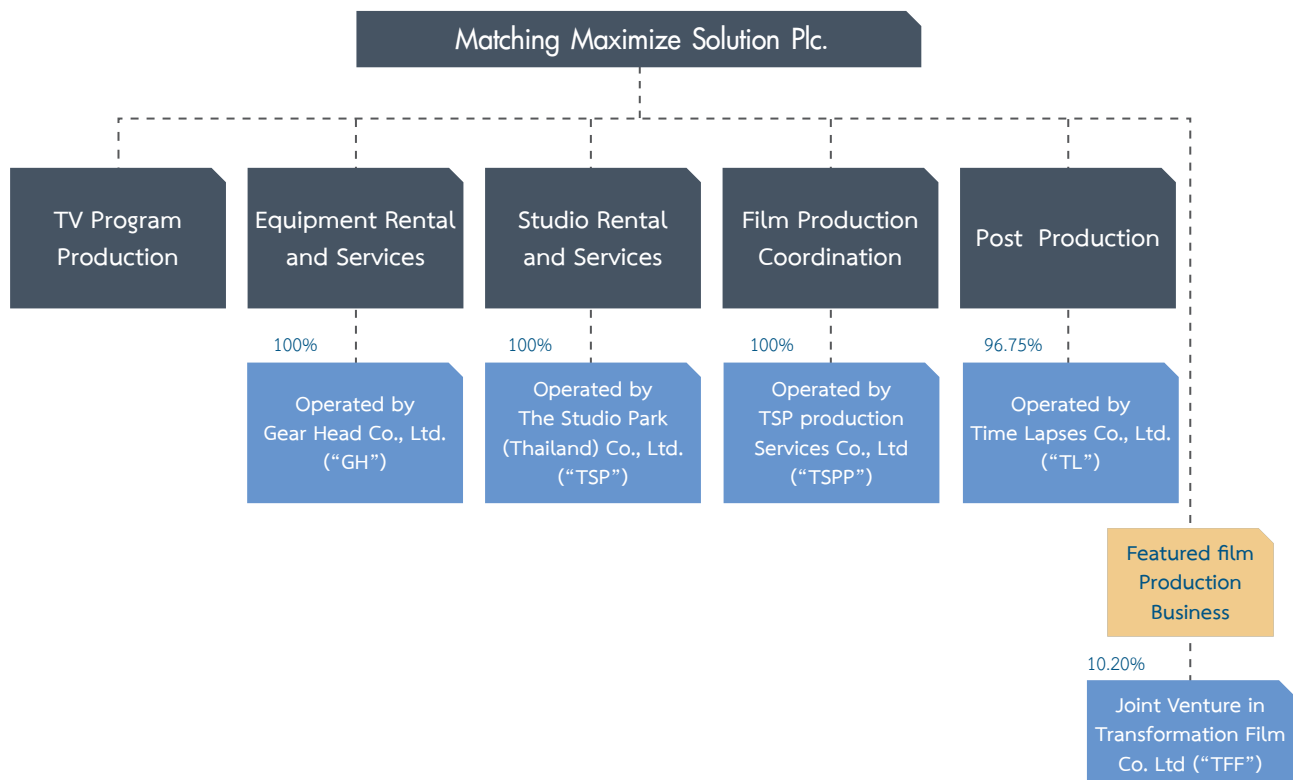
The Company provides post production services for various kinds of films, all kinds of media as well as relevant businesses.

- **Feature film production business**

The Company formed a joint venture to produce Thai films released on cinemas and sold in various channels.

The Company's group structure

As of December 31, 2018, the Company's structure classified by types of business type were as follows



Type of Business

Revenue Structure

Company and its subsidiaries' revenue structure, classified by types of business in the consolidated financial statements for 2016-18, is as follows:

Consolidated financial statement	2016		2017		2018	
	Million baht	%	Million baht	%	Million baht	%
Core businesses						
1. Equipment Rental and Services	355.58	76.81	351.00	76.93	366.52	71.79
2. Studio Rental and services*	-	-	12.17	2.67	51.69	10.12
3. TV program production	81.69	17.65	58.45	12.81	44.13	8.64
4. Post production	12.47	2.69	22.43	4.92	20.56	4.03
5. Commercials production	2.43	0.53	-	-	-	-
6. Product sales	4.50	0.97	4.36	0.96	5.10	1.00
Revenue from core businesses	456.67	98.65	448.41	98.28	488.00	95.58
Other income	6.24	1.35	7.84	1.72	22.56	4.42
Total revenue	462.91	100.00	456.25	100.00	510.56	100.00

Note : * The Company began to revenue from the studio rental and services in 2H17

In 2018, the Company and its subsidiaries' core businesses consisted of equipment rental and services business, studio rental services, TV program production business, and post-production business.



1. Equipment Rental and Services

Service Details

The Company has equipment and technician teams to provide equipment rental services to all groups of clients, including providers of featured films, commercials, documentaries, and music videos, both domestically and internationally. The services for the aforementioned client groups are provided under the brand "Gear Head". The Company also offer our services to producers of TV dramas and

programs under the brand “Handy Gear”. Finally, in 2018, the Company launched services for the advertiser groups with low budget and online media segment under the brand “Foot Gear”.

GH’s major rental assets

Assets	Example
Digital cameras	Arriflex cameras, Red, Phantom, Sony, Canon, Go Pro Anamorphic Hawk lens, Master Prime Angenieux, Cooke and Drone
Lighting equipment	Tungsten , Daylight , new models of LEDs , Super Silent Generator
Sound equipment	Sound recorders, Mixing consoles, Microphones
Grips equipment	Cranes, Dollies, Stabilizer and Non Stabilizer Remote Head , Telescopic Crane
Rig equipment	Equipment specially designed for filming on clients’ demand
Service vehicles	Vans, Beverage vehicles, Mobile toilets and Motor homes

The rental equipment services also include highly-skilled technicians. Equipment is delivered directly to shooting sites by vehicles e.g., six-wheel trucks, equipment pick-up trucks and etc. to facilitate the delivery and ensure timely delivery.

Market and Competition

1. Industry

- Film industry

Thai films

In 2018, only 43 Thai films were released, down from 48 films released in 2017. Some were successful with very good responses from viewers, thus generating massive revenue, while some were not successful. All in all, they generated total revenue of approximately 2,000 million baht.

Thailand Top 10 Highest Grossing Movies 2018 (Thailand Box Office)

Rank	Title	Revenue (mn baht)
1	Naki 2	161
2	Nong Phee Teerak	146
3	Bikeman	67
4	Homestay	66
5	9 Satra	52
6	Khun Bun Lue	45
7	Khun Phan 2	44
8	Thai Baan The Series 2.2	32
9	Hor Taew Taek	27
10	The Pool	27

(Revenue only Bangkok, Bangkok’s vicinity and Chiang Mai * As of January 23, 2019)

Source: <https://theaterist.blog>

Foreign films shot in Thailand

At present, the production and viewer styles are changing significantly but the growth remains outlook rather intact, as suggested by the data released by Ministry of Tourism and Sports. The ministry disclosed that in 2018 the value of foreign films shot in Thailand stood at over three billion baht. According to the data from Ministry of Tourism and Sports, in 2018, there were 714 foreign projects films in Thailand, including featured films, dramas, commercials, and music videos. These generated income of approximately 3,139.29 million baht. Therefore, we view that the overall film industry has continued to grow.



Number of foreign filming in Thailand (By product type)

Type (Unit/Year)	2010	2011	2012	2013	2014	2015	2016	2017	2018
Commercials	255	296	314	346	294	329	376	371	335
Documentaries	178	155	122	150	159	176	155	156	120
Music video	50	34	41	47	44	57	47	54	46
TV programs	34	67	80	86	74	62	80	93	72
TV programs with sensitive content	4	8	8	6	6	8	14	35	12
Games/Reality Show	-	-	3	-	1	9	3	-	32
Dramas	6	4	6	7	1	1	3	2	5
TV Series	2	7	9	8	7	16	16	15	16
Feature films	49	35	53	67	41	63	50	84	74
Others	-	-	-	-	4	3	35	-	2
Total (Units)	578	606	636	717	631	724	779	810	714
Revenue (Million baht)	1,869	1,226	1,782	2,173	1,934	3,164	2,371	3,074	3,139
Difference (%)	108.19	-34.38	45.29	21.97	-11.00	63.60	-25.07	29.65	2.12

Source : Thailand Film Office, Tourism Division

The production styles have changed in the growing market with huge money flows. This is a new market, in which films as well as all kinds of entertainment contents are viewed through smart phones, tablets, laptops through the “Streaming” in response to the communication in the 4G era. According to the data from Major’s Box Office, film ticket sales in 2017 fell to a 25-year low at 1.239 billion tickets, since 1992. This figure highlights how popular “Streaming” has become and the major streaming operator is Netflix.

Netflix is the world’s leader in internet entertainment platform, with a subscriber base of over 125 million subscribers from over 190 countries. The subscription fee is approximately 350 baht per month. According to Netflix’s subscriber base, they watch Netflix’s content over 125 hours daily. In 2017, Netflix reported revenue of 373,474 million baht and a profit of 17,854 million bath. In early 2016, Netflix officially launched its service in Thailand, which was very well responded, with its Thai subscriber base having continued to expand.

In China, Iqiyi, a subsidiary of Baidu, China’s number 1 search engine, is a major video streaming provider with the biggest subscribers of over 60.1 millions currently.

Therefore, there has been huge investment in content production to serve growing demand from subscribers from all countries. The filing for steaming service has also done in Thailand. With popular films and series provided by Netflix, there will be 4K premium content through Microsoft EDGE. Filming equipment must be of high quality under Netflix’s standard. Therefore, there should be high quality filming equipment for Netflix to support growth in the “Streaming” market. It is worth highlighting that our Gear Head also serves Netflix.

Factors affecting more foreign filming in Thailand

1. The government promote aggressive marketing to attract the targeted markets by attending international film festivals. Some public relation events should be organized to highlight the readiness of Thailand in serving foreign filming crew. In addition, related information about filming in Thailand should also be promoted, especially the information about incentive measures, i.e., 15% - 20% rebate offered to foreign production crew under some conditions.





2. The general election in 2019 should help restore confidence among film makers and foreign film insurance firms; once they become more confident in the stability in Thailand, they can approve budget for filming in Thailand more easily.
3. The picturesque scenery in Thailand, the worthiness, the availability of equipment as well as infrastructure related to film production in Thailand prompt potential foreign producers to decide to film in Thailand more easily.

2. Competition Environment

Factors influencing clients' decision to rent filming equipment are as follows:

- 2.1 Prices: The key factor is about prices. With the current economic circumstances and intense competition among clients over new projects, budget production is thus cut accordingly. The price competition will worsen the Company's operating environment.
- 2.2 Staff teams: Efficient staff teams, both supportive and operating ones, will help smoothen clients' project operation promptly and neatly. This also helps improve image of the overall production team.
- 2.3 Equipment: Each service provider offers similar basic equipment, so those who can offer new equipment with very good conditions, more varieties and special specification will enjoy advantages over peers. Clients often ask for new equipment and if we do not have some items but our competitors do, then the clients may opt for those who can offer their preferred equipment.
- 2.4 Reputation: Reputation helps create trust among clients. In particular, foreign crews who never come to film in Thailand often seek comments or feedback from past clients.

2 Studio Rental and Services

The Studio Park (Thailand) is located on a plot of 216 rai of land in Bangbor District, Samutprakan. The project commenced operation in mid-2017. The Studio Park offers sound stage facility and surrounded outdoor setting mainly to production crew of featured films and commercials as well as to TV content producing teams. In addition, our services also include seeking locations in Thailand as demanded by clients. We have also sought partners, such as hotels, golf courts and etc.

Product and service details

Five rental studios are available as follows:

Two small studios with the size of 20x30x12 meters

Two medium studios with the size of 30x40x12 meters

One large studio with the size of 40x60x14 meters

The project features the following functions and design:

- Acoustic Design for international standard sound proof system (“NC 25”)
- Practical Design Practical Design for the structural system that can support heavy weight
- Spacious areas to serve shooting activities for production teams both from Thailand and overseas
- Production Convenience: Various functional facilities are available, such as dressing rooms, recreation rooms, conference rooms, private VIP rooms and etc.: Inside the studios, there are two VIP lounges (VIP Lounge A and Lounge B) for VIP clients. Especially in Lounge B, there are windows overseeing ongoing activities inside the studio and there is Real Time facility for live monitoring at VIP Lounges. In addition, there are warehouse buildings for equipment storage and large car park areas to support a large number of production teams.

In addition, there is a building for Production Office (or Tree House) was constructed. This airy building overseeing surrounding view features four rooms, which can added to filing space. These rooms are adjustable to suit particular setting. In addition, there is a huge kitchen facility where storage of a meat kitchen, a vegetarian kitchen and a Halal kitchen, are separated.

In addition, there are outdoor areas for rent with integrated services, e.g.,

- Backlot: Vacant space for unlimited outdoor setting
- T Lot: Alleys between building that can create walking ways, small alleys where a building is required for setting
- Lake: Natural lake within the project, which can be used for shooting the river-bank scenes
- Natural Canal
- The Scene: Vacant warehouse with beautiful structure suitable for shooting films, making commercials, taking pictures, using as game show setting, or even using as resting area

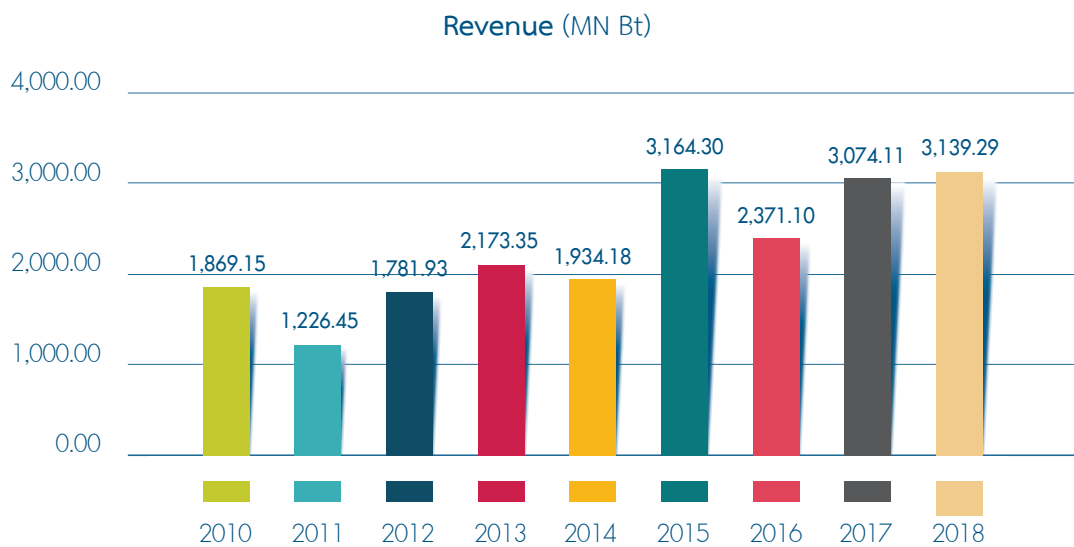


Market and Competition

1. Industry Overview

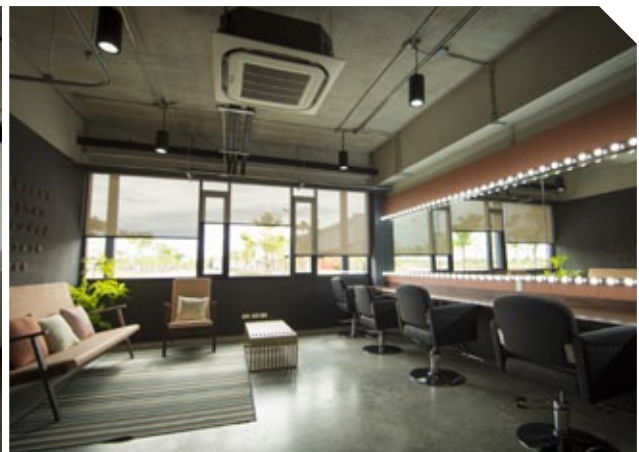
According to the Film Office, Tourism Division, there were 714 foreign movies filmed in Thailand during January to December 2018, for the total value of 3,139.29 million baht, increasing by 2.12%, compared to the figure reported for 2017.

Revenue from foreign movies filmed in Thailand during 2010 - 2018

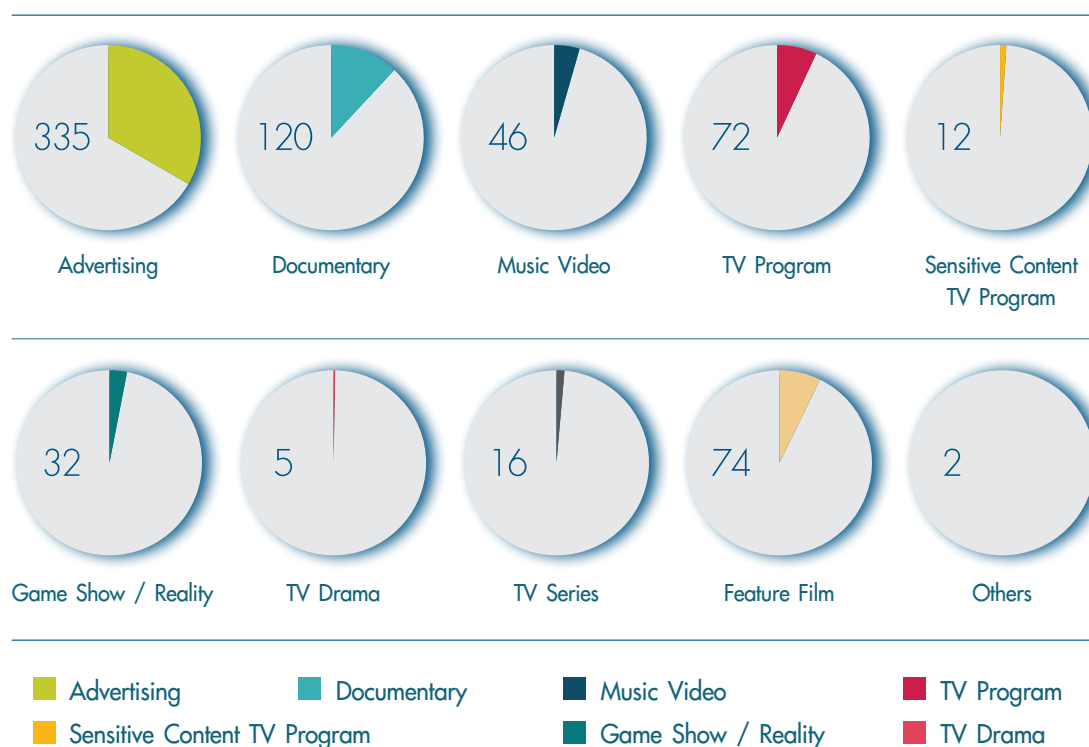


Top-three countries with the biggest revenue contribution from their filming activities in 2018 were the USA (1,246 million baht), followed by India (279 million baht) and China (430 million baht). Filming of commercials / public relation videos represent the biggest number at 335 units.

In regard to the government's support to promote the film industry, the government's supporting measures included: i) a rebate of 15% of the expenses spent during the filming in Thailand; ii) additional benefits if Thai actors/actresses are employed; iii) an additional rebate of 3% if Thai equipment is used; iv) additional 2% rebate if the content of the films helps promote good images of Thailand. Therefore, foreign producers are offered 20% rebate in total.



• Number of foreign media filmed in Thailand in 2018 (by types)



Source: <http://www.tourism.go.th>, Tourism Division

2. Competition

As The Studio Park (Thailand) is the first and only international standard studio in Thailand equipped with acoustic design for international standard sound proof system (“NC 25”), the project enjoys more advantages over competitors in terms of quality of products and services. This service goes well with the equipment rental services, for which the Company has had expertise for 20 years, available in the same area; therefore, the Company is very well prepared to offer integrated services to the clients.

In 2018, not only did the Company provide equipment rental services to Netflix producers but our studio facility unit also served big production teams for featured films. This proved that we can serve demand and provide integrated services for huge production teams. More importantly, our services received very good feedbacks from the clients. With our international standard studio facility with very good services and necessary facilities, e.g., sufficient parking space and attentive security staff, our The Studio Park is now in the Global production map, which should draw greater attention of foreign production teams. Ultimately, Thailand should become among top attractive destinations for foreign filming crew.



3. TV program production

Service details

The Company's TV program production business is operated in two formats: i) the Company subleases broadcast timeslots from the TV station for its own TV program and ii) the Company provides TV program production service for the TV station (the client). From this business, the Company gains revenue from selling commercial timeslots, or advertising time, for promoting products/services during the programs and from production service revenue. The Company's programs are as follows:

Game Show

The Game Show allows participants to play games and win the prizes. The Company's game show focuses both on useful information and entertainment. Knowledge and interesting ideas are also presented through program participating guests' special abilities or interviews. In 2018, the Company presented one game show as follows.

- "Plod Nee" is a game show presenting both knowledge and entertainment for social benefits. Regarding the program style, guests are invited to demonstrate their special abilities. If they successfully meet the program's rules, their debts will be settled by the program producer. Viewers can both enjoy the show while learning some useful content. The program focuses on offering assistance to those in financial trouble. Through guests' special abilities, the program presents useful content, knowledge, as well as interesting ideas.





Market and Competition

1. Industry Overview

- Advertising industry

Advertising spending during 2017 - 2018

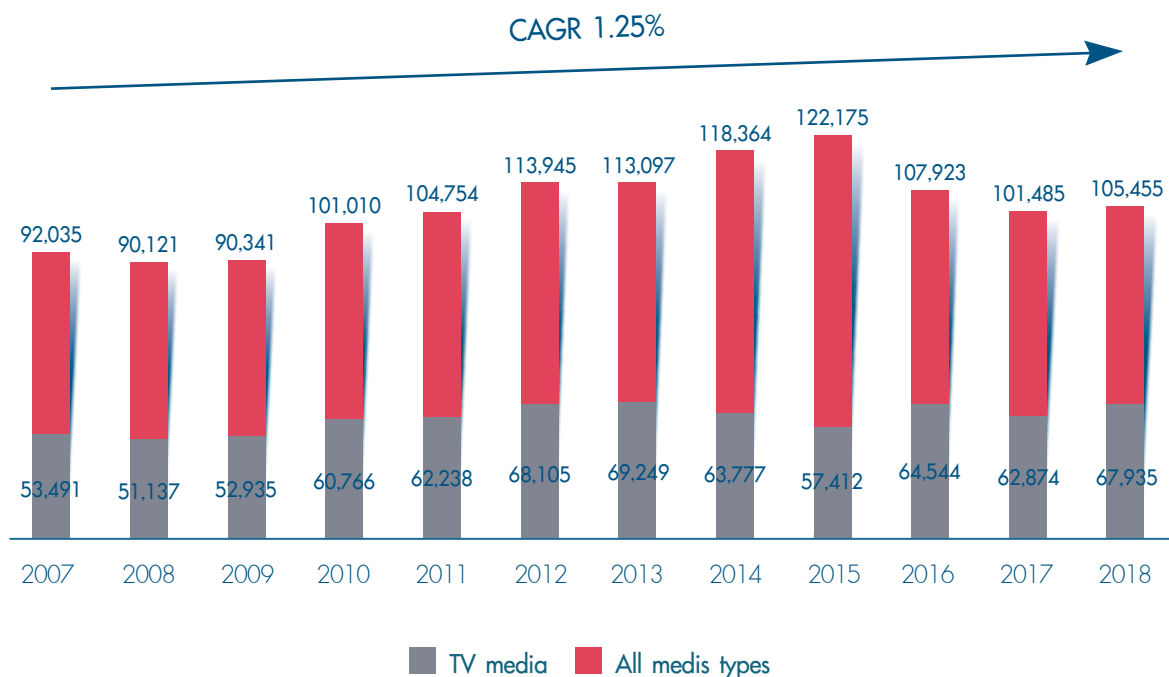
Advertising spending by media types	2017	2018	Growth
	(Million baht)	(Million baht)	(%)
TV	62,874	67,935	8.05
Cable TV/Satellite TV	2,913	2,434	(16.44)
Newspapers	7,706	6,100	(20.84)
Cinemas	6,816	7,312	7.28
Radio	4,476	4,802	7.28
Magazines	1,982	1,315	(33.65)
Outdoor media	6,384	6,833	7.03
Transit media	5,876	6,067	3.25
In-store media	946	1,054	11.42
Internet media	1,513	1,605	6.08
Total	101,485	105,455	3.91

Source: Nielsen Media Research

Nielsen Media (Thailand) reported advertising spending in 2018 at 105,455 million baht, up from the figure in 2017 by 3,971 million bath or 3.91%. The top three adverting spending channels were TV, cinema and outdoor media. TV remained the major media type with the biggest share, with the ad spending value of 67,935 million baht, accounting for 64.42 of the total media. The ad spending through TV media grew by 5,601 million baht or 8.05% from the year before. The second rank went to the cinema media, which saw the advertising spending of 7,312 million baht, up by 7.28%. Finally, the outdoor media saw the ad spending amounting to 6,833 million baht, representing the growth of 7.03%. Top ad spenders remained unchanged, i.e., FMCG Group, telecom group, and TV Direct. Note that TV Direct saw the strongest year-on-year growth in ad spending, compared to 2017.

The ad spending through the TV media still captured the biggest market share of over 60%. However, the flat ad spending value of around 60-70 billion baht per year from the analog time until the digital TV era while the number of TV channels quadrupled suggested that the more ad spending was distributed to new digital TV channels. While the top channel with the top rating remained unchanged, the audience and ad revenue profile had changed. In particular, the number of population, which can access to the internet, tended to consume media content more via online platform and social media (based on an article from The Bangkok Insight on December 31, 2018).

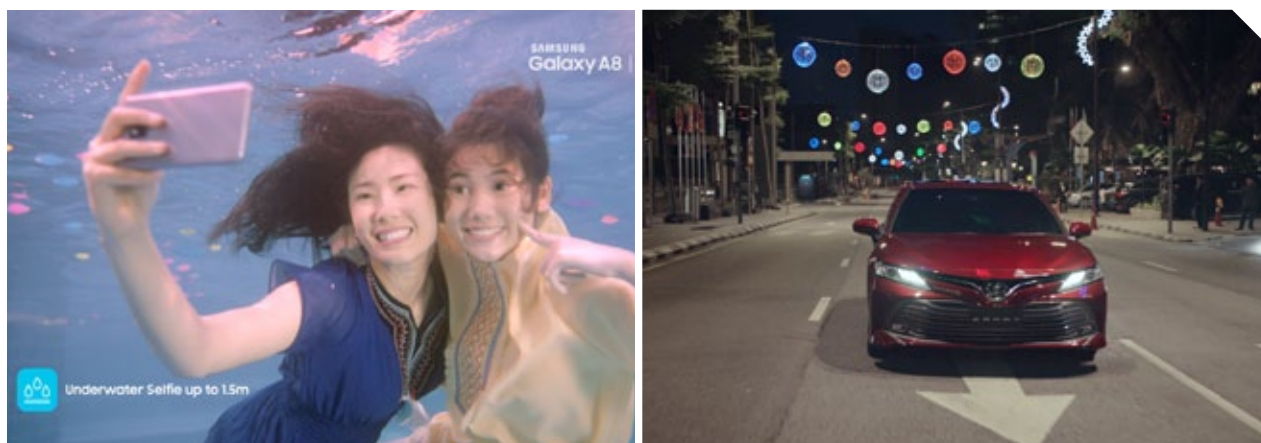
Advertising spending value through Thai media channels in 2007 - 2018 (million baht)



2. Competition

TV operators have to introduce new and different content or import content from abroad in order to attract more viewers amid the growing number of TV stations. In the meantime, the operators should also manage production costs as well as maximize clients' satisfaction.





4. Post production

Service details

The Company also engages in postproduction services for featured films and commercials. In general, the production is divided into the following three steps:

1. Preproduction
2. Production
3. Postproduction

Post production is the final step before project completion, both for feature films and TV commercials. Post production work consists of editing, color grading, visual effects, computer graphics and sound mixing. After all these works, the product will become a complete master piece before releases through various media.

Market and Competition

1. Industry Overview

- **Postproduction House Industry**

At present, the number of big postproduction houses has declined as clients tend to spend lower budget. Some big houses had to cease operation. Some remaining big houses had to dump prices to complete with smaller operators. Hence, medium to small postproduction houses, which have lost some market shares, have to make some business adjustment.

2. Competition

In the past year, the competition intensified as a number of small players entered the market. With lower equipment cost, operators could accept low-value projects. Hence, existing operators had to reduce expenses and cut costs in order to compete with new comers. The overall market environment dragged operators' revenue.



Risk Factors

Business Operation Risks

The Company's core businesses are equipment rental and services, TV program production, post production, and studio rental business. Each business entails different risk factors as discussed below.

Equipment Rental and Services Business

Risk in regard to the changes in technology and obsolete equipment

The Company provides equipment rental services for production of feature films, commercials, TV programs and TV dramas, in which the technology changes rapidly. Clients tend to choose service providers with new equipment as they are familiar with. The Company has continued to invest in new equipment to serve clients' demand. In addition, the Company also enhances the efficiency of personnel, who can engage in particular equipment with special techniques and provide technical support to the clients. The Company periodically conducts personnel training to enhance personnel skills in using equipment in order to facilitate clients.

Risk in regard to investment in equipment and unpopular equipment

To provide equipment rental services, the Company has to put huge investment in new equipment consistently. Therefore, the Company will see some investment risks if the invested equipment fails to attract the clients and thus become unable to break even and general good returns. To address the risk, before deciding to invest in any new equipment, the Company takes into account clients' needs and demand by preliminarily surveying their preference. In addition, the Company always analyzes the profitability outlook of an asset before deciding to invest in such asset. The Company's Studio Park project, an international rental studio with attached warehouse facility from its equipment rental services will enable the Company to promptly and conveniently provide integrated service to clients, helping them to reduce transportation cost and prompting them to order additional rental equipment all the time.

Studio Rental and Service Business

Risk in regard to inability or failure to attract clients as targeted

Possible risks may cause the Studio Park to fail to yield profits or good returns to the Company. However, the Company has tried to control risks to remain at an acceptable level. With extensive experience in the film and broadcast industry, the Company foresees growing demand for rental studios. Furthermore, Company is the first provider of rental studio under the NC 25 International Standard. Moreover, the Company also provides state-of-the art equipment. This is one of our strengths, coupled with several functions, which provide support and facilitate the clients. In addition, the project also helps support the government's policy to attract more foreign film production crew into the country and it should also well respond to the growing competition in the digital TV industry. In the first year, client served by our Studio Park was the huge foreign film production crew. Therefore, the Company is confident that its Studio Park project will serve the demand of huge clients very well and it will demonstrate its potential to attract a number of international clients.



TV Program Production Business

Risk in regard to program plan reshuffle or changes in terms and conditions in contracts

Engaging in the TV program production business, the Company sees risks linked to the possibility that the TV channel may reshuffle its program line-up in order to maintain its market share or rating. Also, there is a risk that the TV station may decide to change the terms and conditions in the contract, e.g., hiking the airtime lease rates, lowering revenue sharing, and reducing advertising time slots, which may impact the continuation of the Company's TV program. Being well aware of such risks, the Company tries to minimize the chances that the TV station will decide not to extend the subleasing contracts or decide to extend the contracts but under some unfavorable conditions. In so doing, the Company is committed to comminuted development of its program content in order to raise audience share (i.e., boosting the program's rating) as well as attracting more sponsors given that the rating level and the number of program sponsors are key factors for the TV station to decide whether or not to extend the subleasing contracts. The Company keeps monitoring its popularity and boosting audience shares by enhancing its program content regularly.

Risk in regard to ad spending distributed more to other new media channels instead of TV media

The ad spending trend is during a transition period; the ad spending through analog TV (free TV) has become lesser, while more spending is distributed to other media channels, especially digital media, online advertising media, Internet media, outdoor media and transit media. New media channels tend to become more influencing in consumers' decision making to buy products and services. However, data suggest that analog TV media and digital media remain the major media for ad spenders as the two media types still gain the biggest market shares given that they can reach customers in mass markets. The competition in ad spending results in high competition in TV program production as operators try to complete in improving quality and content of their programs. Realizing this factor, the Company has continued to develop the content and present content varieties to suit consumers' behaviors both for the existing programs and potential programs.

Risk in regard to operators' limited ad budget

The current economic slowdown as well as various unfavorable factors has negatively impacted consumers' purchasing power, impacting the ad budget allocation of operators. To elaborate, operators tend to spend their ad budget more carefully and try to limit ad budget. Also, some operators change their ad spending allocation strategy, i.e., from annual planning to shorter-period planning. However, the more intense competition, coupled with greater varieties of ad media channels, still attracts operators to effectively spend ad budget in order to promote their products/service among their targeted customers. Also, more new operators may be attracted to spend ad budget on media channels. In the meantime, the state sector may also come up with new projects, which require extensive advertising through various media

channels. Should the economy recover, operators will become more confident in ad spending; and this will ultimately help to boost ad spending growth.

Post production business

Risk in regard high competition

In the past the number of big players in the post production industry was rather small due to high cost; however, the number of operators has increased at present as prices of equipment and software used in the post production industry have declined, resulting in higher competition. Nonetheless, despite a larger number of post production houses, some houses are unable to serve clients' ultimate demand as they provide only some services, such as editing or coloring, and etc. Hence, the Company can reap benefits as a one-stop service provider and the clients can conveniently access to its service. Also, its working length is reduced and cost in regard to site relocation is also lowered.

Risk in regard to dependence on human resources

The post production business requires highly-skilled personnel with extensive expertise and experience in order to create reputation and gain trust from clients. Hence, the Company has skillful personnel with expertise in start-of-the art equipment. The Company realizes the importance of personnel development alongside the company's success. It should also be noted that a key man overseeing this business is a shareholder in a post production firm and this person is ready to push forward the business and continue to produce high quality works.

Management Risks

Risk in regard to having the only major shareholder influencing management policies

As of March 11, 2019, the major shareholder, BBTV Production, held 70.51% of the total paid-up capital. With this percentage of shareholding, BBTV Production has power to make decisions and determine the management policies to a certain degree. With BBTV Production as the only major shareholder, it is very unlikely that the Company will be taken over by other companies, without the approval from BBTV, even though other shareholders may see opportunities to raise the corporate value. Being well aware of this issue, the Company follows good corporate governance principles seriously and also has the Audit Committee, consisting of three independent directors from the total nine directors. The independent directors can help enhance the management as well as bringing transparency and balancing the power of directors. The independent directors also act as representatives of retail shareholders to examine the performance of the management. Moreover, should there be any significant legal issues, approval from shareholder meetings is required before further procedure. The aforementioned factors help to control management and execution risks

Risk in regard to the major shareholders having conflicts of interests and involving competing businesses

BBTV is the Company's indirect major shareholder (i.e. it is the major shareholder of BBTV Production, which is the major shareholder of the Company). It is also an indirect holder of all shares in Media Studio Co, Ltd. (Media Studio), which also operates TV program production business. Media Studio produces news and entertainment programs broadcast only on Channel 7. Hence, Media Studio's business may be seen as competing business with one of the Company's businesses. However, although the two companies are held by the same group of shareholder, management and employees of both are separated. Although both companies produce TV programs, the program content is different. In addition, they run other different businesses. It should also be noted that TV program production is just one of the Company's several businesses. The Company is currently focusing more on becoming a leader in the equipment rental segment as well as studio and location rental services primarily serving all groups of clients.

Shareholders

The Company's securities

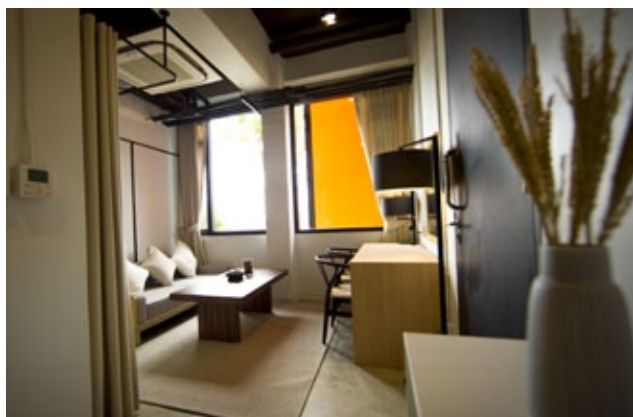
Ordinary Shares

As of December 31, 2018, the Company's registered capital amounted to 781,629,851 baht, consisting of 781,629,851 ordinary shares, at a par value of 1.00 baht apiece; and the paid-up capital amounted to 781,628,733 baht, consisting of 781,628,733 ordinary shares at a par value of 1.00 baht

Shareholders

The Company's top ten shareholders and the percentage of shareholding out of the total paid-up capital as of the latest booking closing date on 11 March 2019 were as follows:

Shareholders	Shareholding	Percentage of paid-up capital
1. BBTV Production Co., Ltd ¹	551,087,516	70.51
2. Klongprakit Group	37,596,000	4.81
Mr. Vinai Klongprakit	14,650,500	1.87
Miss Rarisa Klongprakit	11,030,600	1.41
Mrs. Vipra Klongprakit	6,740,600	0.86
Miss Risara Klongprakit	3,255,500	0.42
Mr. Virat Klongprakit	1,623,400	0.21
Miss Rattana Klongprakit	231,400	0.03
Mrs. Punnee Klongprakit	64,000	0.01
3. Mongkholsapaya Group	12,066,728	1.54
Mr. Panumas Mongkholsapaya	12,000,060	1.54
Mr. Kitchai Mongkholsapaya	65,468	0.01
Mr. Pinyo Mongkholsapaya	1,200	0.00
4. Mr. Vera Supattaratid	10,910,000	1.40



Shareholders	Shareholding	Percentage of paid-up capital
5. Piyapraphanphong Group	10,444,137	1.34
Mr. Chatchavan Piyapraphanphong	10,364,137	1.33
Miss Sriprapa Piyapraphanphong	80,000	0.01
6. Tantimate Group	7,167,700	0.92
Mr. Thawat Tantimate	6,817,700	0.87
Mr. Thanitlek Tantimate	350,000	0.04
7. Dr. Prasarn Kaemakongkanon	6,380,000	0.82
8. Mr. Pornchai Ariyaratopas	5,470,400	0.70
9. Rukkulchon Group	5,232,000	0.67
Mr. Kriengkrai Rukkulchon	5,200,000	0.67
Mr. Chanon Rukkulchon	32,000	0.00
10. UBS AG HONG KONG BRANCH	5,000,000	0.64
Total	651,354,481	83.33

Note : ^{/1} BBTB Production is a group of companies managing Channel 7 held by seven shareholders as follows:

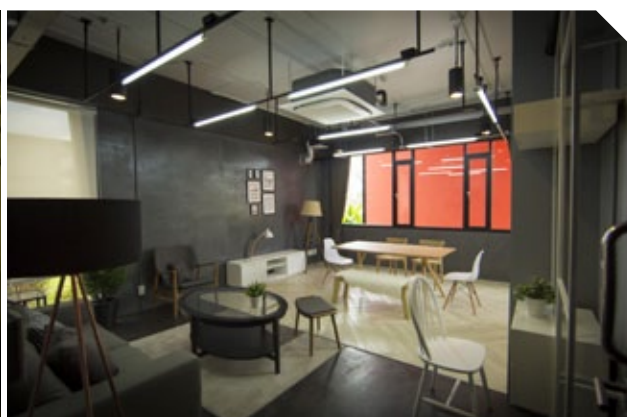
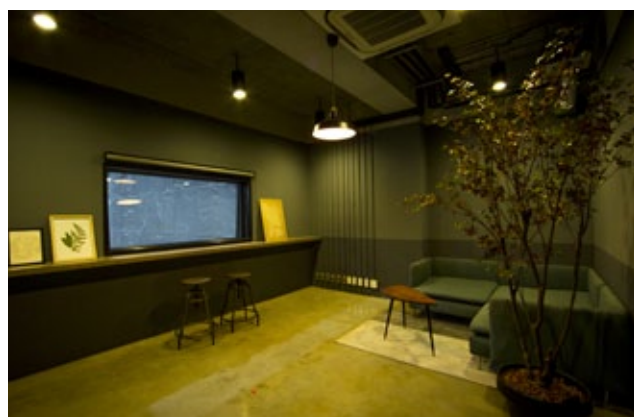
Bangkok Broadcasting and TV Co., Ltd.	30
BBTV Asset Management Co., Ltd.	25
BBTV Sat Television Co., Ltd.	25
Stronghold Asset Co., Ltd.	20

Issuance of other securities

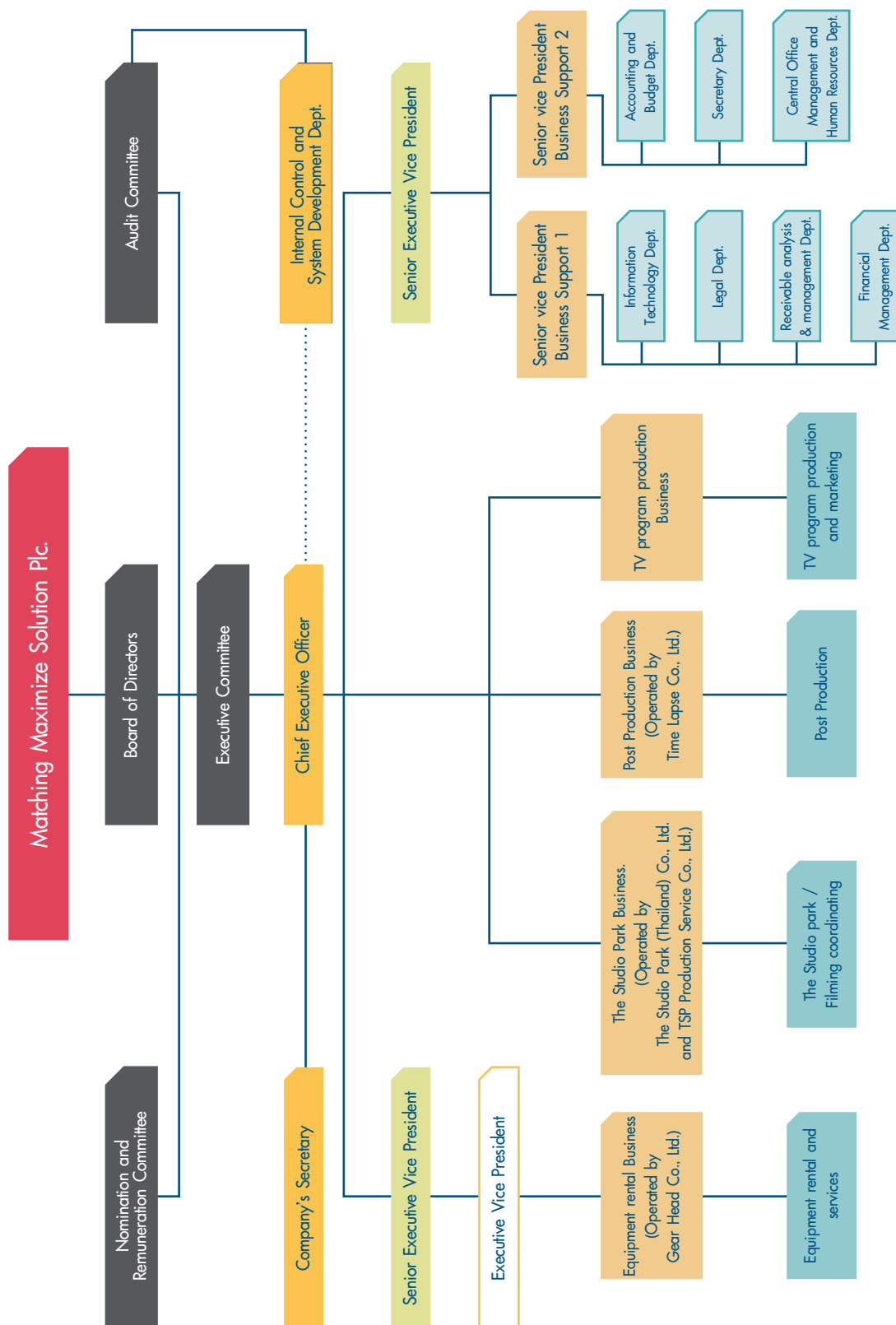
- None-

Dividend Payout Policy

The Company's minimum dividend payout is 40 percent of the net profit, provided that there are no other necessary reasons to use this amount and that the amount of dividend paid must not significantly affect the Company's core business operation. Meanwhile, its subsidiaries do not have a minimum dividend payout policy but the dividend policy at each subsidiary depends on its performance and needs for capital.



Management Structure



The Company's management structure consists of Board of the Directors and three sub-committees :
1) Executive Committee 2) Audit Committee and 3) Nomination and Remuneration Committee. The details are as follows:

Board of Directors

As of December 31, 2018, the Board of Directors consisted of the following nine members:

Name	Position	Meetings in 2018		
		No. of attendance	Total meetings	%
1. Mr. Sansrit Yenbamrung ^{/1/2}	Chairman	11	11	100%
2. Mr. Poomchai Wacharapong ^{/1}	Director	11	11	100%
3. Mr. Pattanapong Nuphan ^{/1}	Director	11	11	100%
4. Mr. Nuttawit Boonyawat ^{/1}	Director	11	11	100%
5. Mr. Somkiat Charoenpinoying ^{/1/3}	Director	8	8	100%
6. Dr. Yaowalak Poolthong ^{/1/4}	Director	8	8	100%
7. Mr. Akarat Na Ranong	Independent Director and Chairman of Audit Committee	10	11	90.91%
8. Mr. Chatrapee Tantixalerm	Independent Director and Member of Audit Committee	10	11	90.91%
9. Mr. Kamol Ratanachai	Independent Director and Member of Audit Committee	11	11	100%

Notes : ^{/1} Representative of BBTV Production Co., Ltd. (for which Channel 7 is a major shareholder)

^{/2} The Board of Director's Meeting No. 3/2018 dated March 22, 2018 acknowledged the resignation from the chairman position of Mr. Somrit Srithongdee, effective on April 24, 2018. The meeting also dissolved to appoint Mr. Sansrit Yenbamrung as the chairman of the Board of Directors, effective on April 24, 2018.

^{/3} The 2018 Annual General Meeting on April 25, 2018 appointed Mr. Somkiat Charoenpinoying to be a director, replacing Mr. Somrit Srithongdee for the term equal to the remaining term of Mr. Somrit Srithongdee.

^{/4} The Board of Director's Meeting No. 2/2018 dated February 23, 2018 acknowledged the resignation from the director position of Mr. Somboon Cheewasutthanon, effective on March 31, 2018. The 2018 Annual General Meeting on April 25, 2018 dissolved to appoint Dr. Yaowalak Poolthong to be a director, replacing of Mr. Somboon Cheewasutthanon.

Scope of duties and responsibility of the Board of Directors

1. Manage and ensure that the Company's business operation conforms to the laws, objectives, and the articles of association including the resolutions of the shareholders' meetings with honesty and trustworthiness; and maintain benefits of the Company.
2. Determine objectives, guidance, policies, business plans, and budgets of the Company; The Board of Directors also controls and supervises the Executive Committee to ascertain that they follow the assigned policies 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 debentures; disposition or acquisition of all or parts of the Company's business to other parties; acquisition or transfers of other company's businesses; and amendments of the letters of memorandum or articles of association, and etc.

3. Appointing some directors, as deemed appropriate, to be members of the Executive Committee being responsible for the duties assigned by the Board of Directors.
4. Assign individuals to operate the Company's businesses of affairs under the Board of Directors' supervision; authorize such individuals to perform some tasks to a certain degree and within a timeframe as deemed appropriate by the Board of Directors; and the Board of Directors may cancel, dismiss, or amend such power.
5. Apply knowledge, skills, and experiences to the duties, bringing about the utmost benefits to the business operation of the Company, with honestly, morality and responsibility to shareholders; and to disclose investment information to investors accurately, sufficiently and transparently.
6. Make sure that the Company's management performs duties efficiently in accordance with the Company's policy; and ask the management to present significant matters concerning the Company's operation and connected transactions for review in order to 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. Appoint the internal audit department to monitor the internal business operation and cooperate with the Audit Committee.

For any matter that a director or an authorized individual may involve in a conflict of interests with the Company and its subsidiaries, such director or authorized individual shall not have a voting right to cast votes for that particular matter.

The Management

As of December 31, 2018, the Company's management consisted of seven members as follows:

Name	Position
1. Mr. Poomchai Wacharapong	Chief Executive Officer
2. Mr. Thanitsaphong Sasinmanop	Senior Executive Vice President For Equipment rental and service business
3. Mr. Wiroj Bunsirirungruang	Senior Executive Vice President For Organization Management and Business Support
4. Mr. Montri Yoosomboon ^{/1}	Executive Vice President For Equipment rental and service business
5. Miss. Usa Wannamolee	Senior Vice President Finance Dept., IT Dept., Legal Dept. and AR Dept.
6. Mrs. Ladawan Khumsap	Senior Vice President Budgeting and Account Dept.
7. Mr. Chatchai Tawwongsa	Senior Vice President Marketing Department

Note : ^{/1} Mr. Somboon Cheewasutthanon resigned from the managing director position on June 30, 2018, and Mr. Natpatsakorn Jankhod resigned from the Senior Vice President on June 30, 2018.

^{/1} Mr. Montri Yoosomboon was appointed as the Executive Vice President, effective on July 5, 2018.

Scope of duties and responsibility of the Chief Executive Officer

1. Manage the Company's normal business operation
2. Carry on operation according to the Company's business policies, business plans, and business strategies already approved by the Board of Directors.
3. Authorize or assign any other individuals 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. Perform other duties as assigned by the Board of Directors and / or the Executive Committee on a case-by-case basis.
5. Proceed with and approve the employment or acceptances of projects or binding agreements in the Company's core business operation within a limit of 15,000,000 baht per transaction or equivalent. This credit limit must conform to the approval by the Company through the Board of Directors. The credit limit is subject to change as found appropriate by the Board of Directors.
6. Hold authority to issue, revise, add, and adjust regulations, orders and rules regarding the Company's operation, e.g., employment, appointment, and removal of officers and employees as well as setting salaries and other employee benefits and welfares.

The abovementioned scope of authority assigned to the Chief Executive Officer must be under the laws, rules, and regulations related to the Company's business. In a case where the Chief Executive Officer or a connected person may enter into counter-parties benefits or may involve conflict of interests (according to the Notifications of the Securities Exchange Commissions and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand), the Chief Executive Officer shall have no authorities to approve such case. The Chief Executive Officer must propose this matter to the Executive Committee and/or the Board of Directors for further review or approval.

Furthermore, connected transactions or transactions relating to acquisitions or dispositions of the Company's or the subsidiaries' assets, whichever the case may be, 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.

The Company's secretary, the head of accounting and finance department and the head overseeing the accounting

- Mr. Wiroj Bunsirungruang is the head of accounting and finance department. The Board of Directors appointed Mr. Wiroj Bunsirungruang as the Company's secretary, effective from January 25, 2009.
- Mr. Adtachai Kittiwattananukroj is the head, who oversees the accounting; he possesses qualifications as specified in the conditions of the Department of Business Development.

The details and qualifications of the people suitable for the aforementioned positions are described in Appendix 1.

Remuneration for Directors and Management

Cash remuneration

In 2018, the remuneration for directors was carefully determined by the meetings of the Nomination and Remuneration Committee, which was appropriate with their scope of responsibility. The following amounts of remuneration for directors were unanimously approved by 2018 Annual General Meeting of Shareholders held on April 25, 2018.

Monthly remuneration (per person)

Board of Directors

Chairman	60,000	Baht
Director	30,000	Baht

Sub-committees

Chairman	30,000	Baht
Committee members	20,000	Baht

The members of Nomination and Remuneration Committee did not receive monthly remuneration.

Meeting allowance (per person per attendance)

Nomination and Remuneration Committee

Chairman	30,000	Baht
Committee members	20,000	Baht

The members of other sub-committees did not receive meeting allowance.

At present, the Company's sub-committees consist of Executive Committee, Audit Committee and Nomination and Remuneration Committee. Committee members who are also members of the Company's Board of Directors also receive remuneration for the position of director.

The Company did not have a policy to offer other forms of benefits, apart from cash, to directors (except for the general benefits offered to general employees).

Directors' remuneration

In 2018, the remuneration of directors consisted of monthly remuneration and meeting allowances as followed

Name	Position	Remuneration (baht)				
		Directors	Executive Committee	Audit Committee	Nomination and Remuneration Committee	Total
Mr. Sansrit Yenbamrung ^{/1/4}	- Chairman of Board of Directors	600,000	-	-	60,000	660,000
	- Chairman of Executive Committee					
	- Chairman of Nomination and Remuneration Committee					
Mr. Somrit Srithongdee ^{/1}	- Chairman of Board of Directors	240,000	-	-	120,000	360,000
(Resigned on April 24, 2018)	- Chairman of Nomination and Remuneration Committee					

Name	Position	Remuneration (baht)				
		Directors	Executive Committee	Audit Committee	Nomination and Remuneration Committee	Total
Mr. Poomchai Wacharapong ^{1/4}	- Director	360,000	-	-	-	360,000
	- Executive Director					
Mr. Pattanapong Nuphan ^{1/4}	- Director	360,000	-	-	-	360,000
	- Executive Director					
Mr. Nuttawit Boonyawat ^{1/4}	- Director	360,000	-	-	-	360,000
	- Executive Director					
Mr. Somkiat Charoenpinyoying ²	- Director	240,000	-	-	-	240,000
Dr. Yaowalak Poolthong ^{3/4}	- Director	240,000	-	-	-	240,000
	- Executive Director					
Mr. Akarat Na Ranong	- Independent Director	360,000	-	360,000	-	720,000
	- Chairman of Audit Committee					
Mr. Chatrapee Tantixalerm	- Independent Director	360,000	-	240,000	120,000	720,000
	- Member of Audit Committee					
	- Member of Nomination and Remuneration Committee					
Mr. Kamol Ratanachai	- Independent Director	360,000	-	240,000	120,000	720,000
	- Member of Audit Committee					
	- Member of Nomination and Remuneration Committee					
Mr. Somboon Cheewasutthanon ^{3/4}	- Director	90,000	-	-	-	90,000
(Resigned on March 31, 2018)	- Executive Director					
Total		3,570,000	-	840,000	420,000	4,830,000

Notes : ¹ The Board of Director's Meeting No. 3/2018 dated March 22, 2018 acknowledged the resignation from the chairman position of Mr. Somrit Srithongdee, effective on April 24, 2018. The meeting also dissolved to appoint Mr. Sansrit Yenbamrung as the chairman of the Board of Directors, effective on April 24, 2018.

² The 2018 Annual General Meeting on April 25, 2018 appointed Mr. Somkiat Charoenpinyoying to be a director, replacing Mr. Somrit Srithongdee for the term equal to the remaining term of Mr. Somrit Srithongdee.

³ The Board of Director's Meeting No. 2/2018 dated February 23, 2018 acknowledged the resignation from the director position of Mr. Somboon Cheewasutthanon, effective on March 31, 2018. The 2018 Annual General Meeting on April 25, 2018 dissolved to appoint Dr. Yaowalak Poolthong to be a director, replacing of Mr. Somboon Cheewasutthanon.

⁴ Members of Executive Committee refrained from receiving the meeting allowance in 2018

Remuneration for the Company's management

As for the remuneration of the Company's management (based on the definition given by the SEC and the SET, management includes Chief Executive Office, Managing Director, top-four management members and management equivalent to the fourth rank management), in 2018, the Company and its subsidiaries paid remuneration in a form of salaries to a total of 10 management members for the total amount of 38.59 million baht.

Other benefits

- 1) The Company established a provident fund, with the employees' contribution at specified rate and the same portion contributed by the Company. The provident fund was managed by an authorized fund and followed the Provident Fund Act B.E. 2530. In 2018, the Company's contribution for 10 management members totaled 0.77 million baht.
- 2) Other benefits included medical allowances, annual medical check-up, life insurance premiums for the total of 0.61 million baht and compensation for employees at 8.67 million baht.

Personnel

In 2018, the Company and its subsidiaries had a total of 592 personnel, with the total benefit packages amounting to 26.26 million baht, including salaries, overtime payment, bonuses, medical allowance, contributions to the provident fund, life insurance premium and etc. In addition, the subsidiaries paid the similar personnel remuneration of 101.98 million baht and paid compensation for employees at 0.51 million baht

Headcounts (persons)

As of December 31, 2018	Headcounts (person)
Studio rental business– The Studio Park	35
Equipment rental and service business	483
Postproduction business	12
TV program production and central office	62

Detail of the Board of Director

Name-Last name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Work Experience in the last 5 years		
					Period	Position	Name of Companies / Organizations
1. Mr. Sansrit Yenbamrung ^{/1} - Chairman of the Board - Chairman of the Executive Committee - Chairman of Nomination and Remuneration Committee	60	• Master of Business Administration in International Trade Sul Ross State University, Alpine Texas, U.S.A.	- None -	- None -	Apr 2018-Present	- Chairman of the Board of Directors	Matching Maximize Solution PCL.
					May 2018-Present	- Chairman of the Executive Committee	
						- Chairman of Nomination and Remuneration Committee	
					Apr 2014-Mar 2018	- Director	
					Apr 2014-Apr 2018	- Executive Director	
					<u>Other Listed Companies</u>		
					Dec 2004-Dec 2018	- First Executive Vice President	Bank of Ayudhya PCL.
					Sep 2002-Nov 2004	- Executive Vice President	
					<u>Other Companies / Organizations</u>		
					Oct 2018-Present	- Chairman of the Board - Chief Executive Officer	Grand Huay Kaew Co., Ltd.
Apr 2018-Present	- Director and Vice Chairman of the Executive Committee	Bangkok Broadcasting & TV Co., Ltd.					

Name-Last name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Work Experience in the last 5 years		
					Period	Position	Name of Companies / Organizations
1. Mr. Sansrit Yenbarmrung ¹ (Cont'd)					Apr 2018-Present	- Chairman of the board	Media Studio Co., Ltd.
					Apr 2014-Mar 2018	- Director	
					Aug 2017-Present	- Director	Grand Prime Asset Co., Ltd.
						- Chief Executive Officer	
					Jul 2017-Present	- Director	Khao Yai Land Co., Ltd.
						- Chief Executive Officer	
					Feb 2015-Present	- Chief Executive Officer	Home Sukhumvit Co., Ltd.
					Feb 2014-Present	- Chairman of the Board	HR Pro Security and Services Co., Ltd.
						- Advisor	
					Aug 2013-Present	- Chairman of the board	TV Digital HR Co., Ltd.
						- Chief Executive Officer	
					Oct 2010-Present	- Chairman of the board	Grand Larn Luang Co., Ltd.
						- Chief Executive Officer	
					Sep 2002-Dec 2018	- Director	Krungsri Ayudhya AMC
						- Chairman of the Executive Committee	Co., Ltd.

Name-Last name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Work Experience in the last 5 years		
					Period	Position	Name of Companies / Organizations
2. Mr. Poomchai Wacharapong ¹ - Director - Chief Executive Officer - Executive Director	60	<ul style="list-style-type: none"> Master (Economics) North Texas State University, U.S.A. Certificate, Senior Executive Program (SEP), Sasin Graduate Institute of Business Administration of Chulalongkorn University Certificate, Director Certification Program (2008) : IOD Certificate, Roles of the Chairman Program (2008) : IOD 	0.0001 %	- None -	Jan 2014-Present	- Director	Matching Maximize Solution PCL.
					May 2018-Present	- Executive Director	
					Jan 2014-May 2018	- Chairman of the Executive Committee	
					Other Listed Companies		
					Apr 2012-Dec 2013	- Senior Banker	Bank of Ayudhya PCL.
					Jan 2009-Jun 2012	- Credit Committee Member	
					Jun 2007-Feb 2010	- Executive Committee Member	
					Jun 2007-Jun 2012	- Risk Management Committee Member	
					Jan 2007-Mar 2012	- Head of SME Banking	
					May 2005-Dec 2013	- First Executive Vice President	
					Other Companies / Organizations		
					Nov 2018-Present	- Director	TSP Production Service Co., Ltd.
					May 2018-Present	- Director	Media Studio Co., Ltd.
					Mar 2015-Present	- Director	Baansuay Group Co., Ltd. (Suratthani)
					Jul 2014-Present	- Director	Time Lapse Co., Ltd.
					Nov 2018-Present	- Chairman of the Board	Transformation Film Co., Ltd.
					Jul 2014-Oct 2018	- Director	
					Feb 2014-Present	- Director	The Studio Park (Thailand) Co., Ltd.

Name-Last name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Work Experience in the last 5 years		
					Period	Position	Name of Companies / Organizations
2. Mr. Poomchai Wacharapong ¹ (Cont'd)							
					Nov 2017-Present	- Chief Executive Officer	Gear Head Co., Ltd.
					Feb 2014-Present	- Director	
					Feb 2014-Jan 2018	- Director	Book Maker Co., Ltd.
					Feb 2014-Dec 2016	- Director	Matching Studio Plus Co., Ltd.
					Feb 2014-Dec 2016	- Director	Matching Entertainment Co., Ltd.
					Jun 2016-Present	- Advisor	HR Pro Security and
					Jan 2014-May 2016	- Director	Services Co., Ltd.
					Aug 2013-Present	- Director	TV Digital HR Co., Ltd.
					Oct 2010-Present	- Director	Grand Lam Luang Co., Ltd.
					Apr 2014-Present	- Director	Matching Maximize
3. Mr. Nuttawit Boonyawat				-None-		- Executive Director	Solution PCL.
- Director	57	• Master of Science					
- Executive Director		Abilene Christian University Texas, USA.					
		• Certificate, Senior Executive Program (SEP), Sasin					
		Graduate Institute of Business administration of Chulalongkron University					
		• Certificate, Director Accreditation Program (2005) : IOD					
					2013-2015	- First Executive Vice President	
						- Corporate Credit Risk Division	
						- SME Credit Risk Division	
					2010-2013	- First Executive Vice President and Acting Manager, Collateral Valuation Department	
						- Corporate Credit Risk Division	
						- SME Credit Risk Division	

Name-Last name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Work Experience in the last 5 years			
					Period	Position	Name of Companies / Organizations	
3. Mr. Nuttawit Boonyawat (Cont'd)								
Other Companies / Organizations								
			May 2018-Present	- Director	Krungsri Ayudhya AMC Co., Ltd.			
			Sep 2017-Present	- Director	Eastern Star Resort			
				- Member of the Executive Committee	Co., Ltd.			
			Feb 2015-Present	- Director	Home Sukhumvit Co., Ltd.			
			Aug 2013-Present	- Director	TV Digital HR Co., Ltd.			
			Oct 2010-Present	- Director	Grand Larn Luang Co., Ltd			
			Nov 1997-Present	- Director	K.S.Fortune Co., Ltd.			
4. Mr. Pattanapong Nuphan ¹ - Director - Executive Director			53	• MA in Sociology Thammasat University • Certificate, Director Certification Program : IOD • Certificate, Director Accreditation Program : IOD	-None-	-None-	2008-Present - Executive Director	Matching Maximize Solution PCL.
					Other Companies / Organizations			
			Jan 2018-Present	- Executive Director and Deputy Managing Director	Bangkok Broadcasting & TV Co., Ltd.			
			Jun 2016-Dec 2017	- Executive Director and Assistant Managing Director				
			2009-Present	- Director	BBTV New Media Co., Ltd.			

Name-Last name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Work Experience in the last 5 years		
					Period	Position	Name of Companies / Organizations
5. Mr. Somkiat Charoenpinoying - Director	56	• Bachelor of Communication Arts, Bangkok University	-None-	-None-	Apr 2018-Present	- Director	Matching Maximize Solution PCL.
					Other Companies / Organizations		
					Apr 2013-Present	- Executive Committee	Bangkok Broadcasting & TV Co., Ltd.
						- Deputy Managing Director	
						- Acting Managing Director	
					Dec 2012-Present	- Director	Media Now Co., Ltd.
					Dec 2008-Present	- Director	BBDTV New Media Co., Ltd.
					Apr 2018-Present	- Director	Matching Maximize Solution PCL.
					Other Companies / Organizations		
					2015-Present	- Chief Executive Officer	Media Studio Co., Ltd.
					2014-Present	- Director	
					2014-Present	- Director	HR Pro Security and Services Co., Ltd.
					2013-Present	- Director	TV Digital HR Co., Ltd.
						- Managing Director	
					2017-Present	- Director	Media Now Co., Ltd.
					2017-Present	- Director	Media Scene Co., Ltd.
6. Yaowalak Poolthong, PhD - Director - Executive Director	58	• PhD in Marketing, Thammasat University (International Program) • Master of International Business Administration, The University of Sydney, Australia • Master of International Business Administration - Exchange Program, Waseda University, Japan • Director Certification Program (DCP) - Thai Institute of Directors (IOD) • Capital Market Academy (CMA)	-None-	-None-			

Name-Last name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Work Experience in the last 5 years		
					Period	Position	Name of Companies / Organizations
7. Mr. Akarat Na Ranong - Independent Director - Chairman of the Audit Committee	65	<ul style="list-style-type: none"> Master's Degree, Business Administration (Management), Marshall University, USA. Certificate, Role of the Chairman Program (2017) : IOD Certificate, Director Certification Program (2013) : IOD Certificate, Role of the Compensation Committee (2007) : IOD Certificate, Director Accreditation Program (2007) : IOD Certificate, Audit Committee Program (2004) : IOD Certificate, Leader Program, Capital Market Academy (Class 6) (2008) 	-None-	-None-	May 2010-Present	- Independent Director - Chairman of the Audit Committee	Matching Maximize Solution PCL.
					<u>Other Listed Companies</u>		
					Nov 2017-Present	- Independent Director - Chairman of Audit Committee	Symphony Communication PCL.
						- Nomination Compensation and Corporate Governance Committee	
					Jul 2017-Present	- Audit Committee - Risk Management Committee - Investment Committee	Krungthai AXA Life Insurance PCL.
					Jun 2013-Apr 2018	- Chairman	Food Capitals PCL.
					2013-Jun 2016	- Director	Evolution Capital PCL.
					2011-Present	- Independent Director - Audit Committee	FINANSA PCL.
					2001- Jul 2017	- Independent Director - Chairman of Audit Committee - Nomination and Remuneration Committee - Corporate Governance Committee	Krungthai Card PCL.

Name-Last name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Work Experience in the last 5 years		
					Period	Position	Name of Companies / Organizations
7. Mr. Akarat Na Ranong (Cont'd)							
<u>Other Companies/Organizations</u>							
May 2018-Present			- Director	Wind Energy Holding Co., Ltd.			
2015-Present			- Executive Director				
			- Independent Director	KPN Academy Co., Ltd.			
			- Chairman of the Board of Director				
			- Chairman of Audit Committee				
2011-Present			- Independent Director	FINANSA Securities Limited			
			- Audit Committee				

Name-Last name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Work Experience in the last 5 years		
					Period	Position	Name of Companies / Organizations
8. Mr. Chatrapee Tantixalerm - Independent Director - Audit Committee - Nomination and Remuneration Committee	55	<ul style="list-style-type: none"> MBA Finance, Sasin Graduate Institute of Business Administration of Chulalongkorn University Certificate, Corporate Governance for Capital Market Intermediaries (2/2015) : IOD Certificate, Director Accreditation Program (48/2005) : IOD 	-None-	-None-	Sep 2017-Present	- Independent Director	Matching Maximize
						- Audit Committee	Solution PCL.
						- Nomination and Remuneration Committee	
					Other Listed Companies		
					Dec 2018-Present	- Director and Chairman of Audit Committee	SISB PCL
					Sep 2009-Present	- Independent Director	TSFC Securities PCL.
						- Chairman of Audit Committee	
					Other Companies /Organizations		
					Aug 2018-Present	- Independent Director and Audit Committee	Beryl 8 plus Co., Ltd.
					Jul 2015-Present	- Chairman of the Board and Independent Director Management Co., Ltd.	Univentures REIT
					Aug 2015-Present	- Director and Chief Executive Officer	Talis Asset Management Co., Ltd.
					Mar 2012-Jun 2015	- Director and Vice Chairman	Association of Investment Committee (AIMC)
					Aug 2011-Sep 2014	- Executive Board Member	International Chamber of Commerce Thailand
					Dec 2005-Jun 2015	- Director and Chief Executive Officer	Krungsri Asset Mangement Co., Ltd.

Name-Last name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Work Experience in the last 5 years		
					Period	Position	Name of Companies / Organizations
9. Mr. Kamol Ratanachai - Independent Director - Audit Committee - Nomination and Remuneration Committee	52	<ul style="list-style-type: none"> Master of Business Administration (MBA) , Bangkok University Certified Internal Auditor (CIA), The Institute of Internal Auditor U.S.A. CAC SME IA Certification : Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) Certificate, How to Develop a Risk Management Plan (HRP) (2018) : IOD Certificate, Risk Management Program for Corporate Leaders (2017) : IOD Certificate, Director Certification Program (2016) : IOD Certificate, Anti-Corruption : The Practical Guide (2015) : IOD Certificate, How to Measure the Success of Corporate Strategy (2013) : IOD 	-None-	-None-	Jan 2013-Present	- Nomination and Remuneration Committee Solution PCL.	Matching Maximize
					Nov 2010-Present	- Independent Director - Audit Committee	
					Other Listed Companies		
					May 2014-Present	- Independent Director - Audit Committee	Eastern Power Group PCL.
					2011-Present	- Independent Director	Sriracha Construction PCL.
					2011-Apr 2014	- Independent Director - Audit Committee	Eastern Printing PCL.
					Other Companies /Organizations		
					May 2018-Present	- Chairman of Audit Committee	Superrich Currency Exchange (1965) Co.,Ltd.
					Jun 2015-Present	- Head of Internal Audit	KPN Academy Co., Ltd.
					Jul 2014-Present	- Independent Director	Time Lapse Co., Ltd.
					Jul 2012-Present	- Independent Director	Gear Head Co., Ltd.
					Jul 2012-Present	- Independent Director	The Studio Park (Thailand) Co., Ltd.
					Jul 2012-Jan 2018	- Independent Director	Book Maker Co., Ltd.
					Jul 2012-Dec 2016	- Independent Director	Matching Studio Plus Co., Ltd.
					Jul 2012-Dec 2016	- Independent Director	Matching Entertainment Co., Ltd.

Name-Last name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Work Experience in the last 5 years		
					Period	Position	Name of Companies / Organizations
9. Mr. Kamol Ratanachai		<ul style="list-style-type: none"> • Certificate, Successful Formulation & Execution of Strategy (2012) : IOD • Certificate, Audit Committee Program (2009) : IOD • Certificate, Director Accreditation Program (2008) : IOD 			Jul 2012-Sep 2014	- Independent Director	Matching Movie Town Co., Ltd.
					Jul 2012-Jan 2014	- Independent Director	Goody Film BKK Co., Ltd.
					2013-May 2015	- Senior Vice President, Head of Internal Audit	Secondary Mortgage Corporation
					2010-2013	- Vice President, Head of Internal Audit	
10. Mr. Thanisaphong Sasinmanop - Senior Executive Vice President	61	<ul style="list-style-type: none"> • Honorary Degree of Technology Major Photography and Cinematography Technology, Faculty of Mass Communication Technology, Rajamangala University of Technology Thanyaburi 	0.5178 % (Including Mrs. Siripen Sasinmanop)	Husband of Mrs. Siripen Sasinmanop	Nov 2011-Present	- Senior Executive Vice President (Service and Renting of Equipment)	Matching Maximize Solution PCL.
					Jul 2012-Dec 2013	- Director	
						- Chairman of Executive Committee	
					2002-Oct 2011	- Senior Executive Vice President (TV Commercial)	
					2002-2010	- Director	
					Other Companies / Organizations		
					2003-Sep 2014	- Director	Matching Movie Town Co., Ltd.
					2002-Present	- Director	The Studio Park (Thailand) Co., Ltd.
					2002-Dec 2016	- Director	Matching Studio Plus Co., Ltd.
					1999-Dec 2016	- Director	Matching Entertainment Co., Ltd.
					1994-Present	- Director	Gear Head Co., Ltd.

Name-Last name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Work Experience in the last 5 years		
					Period	Position	Name of Companies / Organizations
11. Mr. Wiroj Boonsirirungruang ³ - Senior Executive Vice President (Organization Management and Business support) - Company Secretary (The head of accounting and Finance Department)	51	<ul style="list-style-type: none"> • Master of Accounting Thammasat University • Certificate, Company Secretary Program (2011) : IOD • Certificate, Director Certification Program (2005) : IOD • Certificate, Director Accreditation Program (2005) : IOD 	0.0138%	-None-	Mar 2014-Present	- Senior Executive Vice President (Organization Management and Business Support)	Matching Maximize Solution PCL.
					Apr 2014-Dec 2018	- Executive Director	
					2002-Feb 2014	- Executive Vice President (Organization Management and Business Support)	
					2002-Mar 2010	- Director	
					Other Companies / Organizations		
					Jul 2014-Present	- Director	Time Lapse Co., Ltd.
					2003-Present	- Director	The Studio Park (Thailand) Co., Ltd
					2003-Present	- Director	Gear Head Co., Ltd.
					2003-Jan 2018	- Director	Book Maker Co., Ltd.
					2003-Dec 2016	- Director	Matching Studio Plus Co., Ltd.
					2003-Dec 2016	- Director	Matching Entertainment Co., Ltd.
					2003-Sep 2014	- Director	Matching Movie town Co., Ltd.
					2003-Jan 2014	- Director	Goody Film BKK Co., Ltd.

Name-Last name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Work Experience in the last 5 years		
					Period	Position	Name of Companies / Organizations
12. Mr. Montri Yoosomboon - Executive Vice President	53	<ul style="list-style-type: none"> Lighting System Training Course, Mole Richardson Co., Ltd. USA Maintenance Training Course, (Cinematography Lenses from Cooke Optics factory England) Lens Maintenance Training Course, Carl Zeiss Factory Co., Ltd., Germany Camera Maintenance Training Course, Arri Factory, Germany Vocational Certification Phitsanulok Technical College Certificate, Director Certification Program (2011) : (IOD) 	0.0003 %	Brother of Mrs. Siripen Sasinmanop	July 2018- Present	Executive Vice President	Matching Maximize
					Dec 2015- Dec 2018	Executive Director	Solution PCL.
					Other Companies / Organizations		
					Aug 1997-Present	Director	Gear Head Co., Ltd.
13. Miss. Usa Wannamolee - Senior Vice President	57	<ul style="list-style-type: none"> Master of Business Administration Ramkhamhaeng University 	-None-	-None-	Mar 2014-Present	Senior Vice President of Finance Dep., IT Dep, Legal Dep. and AR Dep.	Matching Maximize Solution PCL.
					Other Listed Companies		
					Feb 2014	- Branch Manager Map Ta Phut	Bank of Ayudhya PCL.
					Jan 2013-Jan 2014	- Branch Manager Central Festival Pattaya Beach	
					Feb 2007-Dec 2012	- Branch Manager Chachoengsao	

Name-Last name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Work Experience in the last 5 years		
					Period	Position	Name of Companies / Organizations
14. Mrs. Ladawan Khumsap - Senior Vice President	51	• Master of Accounting Thammasat University	0.0128 %	-None-	2013-Present 2005-2012	- Senior Vice President - Vice President Accounting and Budgeting Dep.	Matching Maximize Solution PCL.
15. Mr. Chatchai Thaowongsa - Senior Vice President	49	• Bachelor Degree of Business Administration Ramkhamhaeng University	-0-	-None-	June 2015-Present Nov 2003-May 2015	- Senior Vice President of Marketing Dep. - Manager of Marketing Dep.	Matching Maximize Solution PCL.
16. Mr. Adtachai Kittiwattananukroj⁴ - Vice President (The head accountant)	45	• Master of Business Administration Ramkhamhaeng University	-0-	-None-	Nov 2007-Present	- Vice President Accounting and Budgeting Dep.	Matching Maximize Solution PCL.
					Other Companies / Organizations		
					2004-2007	- Manager Accounting Dep.	Matching Entertainment Co., Ltd.

Notes : ¹ Director who are authorized to sign in binding the Company

² Include spouse and minor children (As of December 31, 2018)

³ The head accounting and Finance Department

⁴ The head accountant a qualified accountant accounting to the requirement and conditions for an accountant as specified by the Department of Business Development.

Shareholding by Directors and Executives on 31 December 2018

Name	Position	Shareholding			Percentage of paid-up Capital
		At the beginning of the year	Acquisition/ disposition During the year	At the end of the year	
1. Mr. Sansrit Yenbamrung	Chairman of the Board	-	-	-	None
2. Mr. Poomchai Wacharapong	Director	-	1,000	1,000	0.0001
3. Mr. Nuttawit Boonyawat	Director	-	-	-	None
4. Mr. Pattanapong Nuphan	Director	-	-	-	None
5. Mr. Somkiat Charoenpinyoying	Director	-	-	-	None
6. Dr. Yaowalak Poolthong	Director	-	-	-	None
7. Mr. Akarat Na Ranong	Independent Director	-	-	-	None
8. Mr. Chatrapee Tantixalerm	Independent Director	-	-	-	None
9. Mr. Kamol Ratanachai	Independent Director	-	-	-	None
10. Mr. Thanisaphong Sasinmanop ^{/1}	Senior Executive Vice President	4,047,623	-	4,047,623	0.5178
11. Mr. Wiroj Boonsirirungruang	Senior Executive Vice President	108,200	-	108,200	0.0138
12. Mr. Montri Yoosomboon	Executive Vice President	2,200	-	2,200	0.0003
13. Miss. Usa Wannamolee	Senior Vice President	-	-	-	None
14. Mrs. Ladawan Khumsap	Senior Vice President	100,000	-	100,000	0.0128
15. Mr. Chatchai Thaowongsa	Senior Vice President	-	-	-	None
16. Mr. Adtachai Kittiwattananukroj	Vice President	-	-	-	None

Note : ^{/1} Including spouses and minor children (As of December 31, 2018)



Corporate Governance

Sub-Committees

Company's management structure consists of three sub-committees: i) Executive Committee, ii) Audit Committee and iii) Nomination and Remuneration Committee.

Executive Committee

As of December 31, 2018, the Executive Committee was comprised of the following five members

Name	Position
1. Mr. Sansrit Yenbamrung ^{/1}	Chairman of Executive Committee
2. Mr. Poomchai Wacharapong	Executive Director
3. Mr. Pattanapong Nuphan	Executive Director
4. Mr. Nuttawit Boonyawat	Executive Director
5. Dr. Yaowalak Poolthong ^{/2}	Executive Director

Notes : ^{/1} Mr. Sansrit Yenbamrung was appointed as Chairman of Executive Committee on May 9, 2018.

^{/2} Mr. Somboon Cheewasutthanon resigned from an Executive Director on June 30, 2018 and Dr. Yaowalak Poolthong was appointed as an Executive Director on July 5, 2018.

The Board of Directors meeting approved the change in the number of the size of Executive Committee to five members, as shown above, effective on December 21, 2018.

Scope of duties and responsibilities of the Executive Committee

- Propose to the Board of Directors to consider approving:
 - goals
 - business policies
 - business plans
 - business strategies
 - management power
 - annual budget
 - risk management policies
 - scope, power and responsibilities of the managing director
 - other matters that may have significant impacts on the company's operation
 - other matters that the Executive Committee views that they are necessary to be proposed for approval or that they are relevant to the rules set by the Company's Board of Directors
- Ensure that the Company's operation is in line with the Company's business policies, business plans as well as business strategies already approved by the Company's Board of Directors.

3. Control and oversee the Company's business policies, business plans, and business strategies as well as earnings performance of the subsidiaries.
4. Be authorized to approve the borrowing or loan applications to finance the Company's normal business operation and also to act as a guarantor when taking out some loans: the Executive Committee is also responsible for making any payments to smooth out Company's normal business operation. The credit approval per transaction shall not exceed 20,000,000 baht or equivalent. Such credit approval limit shall conform to the limit approved by the Board of Directors. However, this credit approval limit is subject to change as appropriate, under the Board of Directors' consideration.
5. Review and approve liquidity management for various transactions including deposits, B/Es, government bonds, mutual funds for the amount not exceeding Baht 30,000,000 million; and review deposit transaction reports prepared by the financial management department.
6. Set the Company's organization and management structure including recruitment, training, employment and termination of employment contracts
7. Consider investment in projects or securities or joint venture deals as approved by the Company's Board of Directors.
8. Perform other duties as occasionally assigned by the Board of Directors

However, in any transaction that may result in a conflict of interest or personal benefits of any members of the Executive Committee (according to the Notification of the SEC), the Executive Committee shall propose the transaction to the Board of Directors for further approval. A particular member of the Executive Committee with possible conflicts of interests shall not have a voting right in the Board of Director's meeting regarding that transaction.

The Audit Committee

In 2018, the Audit Committee comprised the following three independent members.

Name	Position
1. Mr. Akarat Na Ranong	Chairman of Audit Committee
2. Mr. Chatrapee Tantixalerm ^{/1}	Member of Audit Committee
3. Mr. Kamol Ratanachai	Member of Audit Committee

^{/1} Mr. Chatrapee Tantixalerm was appointed as an independent director and a member of Audit Committee, replacing Mr. Nuttawut Phowborom on September 27, 2017.

Terms and Appointment of members of Audit Committee

The Board of Directors appoints three independent directors to be the members of the Audit Committee. At least one of the three independent directors must possess 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 responsibilities of the Audit Committee set by the Stock Exchange of Thailand. The members of Audit Committee shall serve the term of three years. Once the term is completed, they shall be re-elected but they shall not remain in the position more than two

consecutive terms, except for the case that the Company's Boards of Directors view differently. The Audit Committee reports directly to the Board of Directors and their scope of duties and responsibilities, as stated in the charter of the Audit Committee, is reviewed and adjusted at least once annually. In case a position of Audit Committee member is vacant due to other reasons, apart from the normal term completion, the Board of Directors shall appoint a qualified individual to fill in the vacancy within 90 days. The replacement shall be in the position only for the remaining duration of the successor.

Scope of duties and responsibilities of the Audit Committee

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

1. Review the financial statements, ensuring that they are accurate and adequate.
2. Review the Company's internal control system and internal audit system and make sure that they are sufficient and effective; review and approve the charters of the internal organization, business plans and budget; to ensure the independence of the internal audit department; to give opinions concerning appointments, transfers, and employment termination of the heads of internal audit department or of any other departments overseeing internal audit activities.
3. Review the Company's operations and make sure that they conform to the rules and regulations of the Stock Exchange of Thailand, and any other laws related to the Company's business operation.
4. Consider proposing an independent person as the Company's auditor as well as proposing the auditor fee; and to attend the meetings with the auditor, without the presence of the management, at least once a year.
5. Review connected transactions or some transactions that may cause conflicts of interest in order to ensure that those transactions are in compliance with the regulations of the Stock Exchange of Thailand; and to make sure that those transactions are justified and most beneficial to the Company.
6. Prepare Audit Committee Report, which would be included in the Company's annual report; the report must be signed by the Chairman of the Audit Committee and at least contain the following details:
 - a) Opinions concerning accuracy, adequacy and reliability of the Company's financial reports
 - b) Opinions concerning sufficiency of the Company's Internal Control
 - c) Opinions whether the Company follows the laws related to securities and the stock market, regulations of the stock market and the laws related to the Company's business
 - d) Opinions whether the Company's auditor is qualified
 - e) Opinions concerning some transactions that may cause conflicts of interest
 - f) Opinions in regard to the number of the Audit Committee meetings and the attendance of each member
 - g) Opinions or overall notes that the Audit Committee receives from the charter-based operation
 - h) Other matters that should be disclosed to the shareholders and investors under the scope of responsibilities assigned by the Board of Directors

7. Perform other duties as assigned by the Board of Directors and approved by the Audit Committee.
8. Review the Company's risk management and ensure effective risk management.
9. Report performances of the Audit Committee to the Board of Director at least four times a year.
10. Be empowered to hire advisors or outsiders, as stated by the Company's regulations, to provide opinions or consultancy as necessary.
11. Be empowered to invite directors, management, heads of departments or the Company's employees to discuss or answer the Audit Committee's questions.
12. Review the scope of responsibilities and evaluate the annual performance of the Audit Committee.
13. Should the Audit Committee find that the following matters may have a significant impact on the Company's financial statement as well as its operating performance, the Committee will report to the Board of Directors in order to improve the matters within the set timeframe as found appropriate by the Audit Committee.
 - a) Transactions involving conflicts of interests
 - b) Corruptions or unusual matters or significant mistakes of the internal control system
 - c) Violation of the laws concerning rules and regulations of the Stock Exchange of Thailand, and any other laws related to the Company's business operation
14. In case the auditor finds some unusual matters that may indicate that the Chief Executive Officer, or any individuals in charge of the Company's operation violate the laws, the auditor should notify the Audit Committee for immediate scrutiny. The preliminary scrutiny result should be submitted to the Securities and Exchange Commission and the auditor within 30 days, starting from the date the auditor reports such suspicious matters. The suspicious matters and the scrutiny procedures should be in accordance with the regulations of the Capital Market Supervisory Board.
15. Review and amend the charter of the Audit Committee as well as the reference once a year; and to propose the amended charter of the Audit Committee to the Board of Directors for approval.

Note that the aforementioned scope of power of the Audit Committee does not include the power that enables a member of Audit Committee or an authorized representative for that member to express opinions about any cases that the particular member of the representative or the persons with connected transactions (as announced by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) may have conflicts of interests with the Company, its subsidiaries and concerned companies.

Nomination and Remuneration Committee

The Board of Director meeting No. 1/2013 on January 25, 2013 resolved that the Company set the Nomination and Remuneration Committee to select and nominate qualified individuals to be elected as new directors. The Committee has a responsibility of setting policies and criteria to select, and nominate persons to be the Company's directors, members of sub-committees and top executive as well directors for subsidiaries for which the Company holds shares of at least 50 percent. In addition, the Nomination and Remuneration Committee also has the responsibility to consider approving the amount of appropriate remuneration for the Company's directors and management.

As of 31 December 2018, the Nomination and Remuneration Committee consisted of three members

Name	Position
1. Mr. Sansrit Yenbamrung ^{/1}	Chairman of Nomination and Remuneration Committee
2. Mr. Chatrapee Tantixalerm	Member of Nomination and Remuneration Committee
3. Mr. Kamol Ratanachai	Member of Nomination and Remuneration Committee

^{/1} Mr. Sansrit Yenbamrung was appointed as the chairman of Nomination and Remuneration Committee on May 9, 2018.

Scope of duties and responsibilities of the Nomination and Remuneration Committee

1. Determine policies, regulations and procedure guidelines:
 - 1.1. Determine policies, regulations, and guidelines for selection and nomination of the Company's directors, sub-committee members as well as top management officers, e.g., the Chief Executive Officer, Deputy Managing Director, and Assistant Managing Director.
 - 1.2. Determine policies, regulations, and guidelines for selection and short-listing of qualified individuals to be directors or hold other equivalent positions at the companies that the Company holds stake at least 50 percent; and/or select suitable persons from those companies to take a role for such positions.
 - 1.3. Determine policies on remuneration and other benefits as well as other packages for directors, sub-committee members and top management members of the Company including the position of managing director and equivalent positions in the companies where the Company holds stake at least 50 percent.
2. Select or nominate qualified individuals: The Committee is to select or nominate qualified individuals and propose those nominated persons to the Company's Board of Directors, for the following positions:
 - 2.1. Directors
 - 2.2. Members of sub-committees that report directly to the Board of Directors
 - 2.3. Management members, including Chief Executive Officer and/or Deputy Managing Director, Assistant Managing Director, as well as those in the same positions at any companies where the Company holds stake at least 50 percent.
3. Review remuneration details

The Committee is to ensure that the Company's directors, sub-committee members, management members, i.e., Chief Executive Office and/or Deputy Managing Director, and Assistant Managing Director, receive suitable remuneration packages in accordance with their responsibilities as well as the Company's policies in line with peers in the industry. Any director with greater responsibilities shall receive suitable remuneration packages accordingly.
4. Other responsibilities
 - 4.1 Ensure that the size and composition of the Company's Board of Directors are suitable for the organization and the changing environment; The Board of Directors shall consist of individuals with knowledge, skills, abilities and extensive experience in various fields that would benefit the Company's corporate governance and operation.

- 4.2 Set guidelines for appraisal of the performance of Directors and management members including Chief Executive Officer and/or Deputy Managing Director, Assistant Managing Director in order to review the annual remuneration, based on scopes of responsibilities and relevant risks. The Committee shall also take into account the value addition for shareholders in the long term when appraising the performance.
- 4.3 Appraise performance of the Company's Directors, Chief Executive Officer.
- 4.4 Complete succession plans for Chief Executive Officer as well as other management positions such as Deputy Managing Director and Assistant Managing Director.
- 4.5 Disclose the policies and report the performance of the Nomination and Remuneration Committee and include the details about remuneration packages in the Company's annual report.
- 4.6 Seek opinions from independent advisers who possess particular expertise with the expenses being responsible by the Company (e.g., surveys on remuneration of the Nomination and Remuneration Committees or management members of other companies in the industry, and etc).

Nomination and appointment of directors and top management

Independent Directors

The members of the Nomination and Remuneration Committee work together to review regulations and policies on nomination and appointment of the Company's independent directors, based on the qualifications specified by the Public Limited Company Act, Notifications of the Securities Commission, Notifications of Capital Market as well as other related regulations and qualifications, e.g., work experience, knowledge and skills. The Company has a policy to appoint at least one-third of the total directors and not less than three directors as the Company's independent directors.

Qualification of Independent Directors

1. Be appointed by the Company's Board of Directors or the Annual General Meeting of Shareholders
2. Possess qualifications as specified by the regulations about securities and stock market:
 - 1) Not holding shares in excess of one per cent of the total shares with the voting rights of the company, the parent company, subsidiaries, associated companies or related companies, which shall be inclusive of the shares held by related parties;
 - 2) Having never been a director participating in management, an employee, a consultant with regular salary, or a person with power to control the company, except relieved from the aforesaid characteristics at not less than two years before submitting permission to the office. However, the prohibited characteristics do not include independent directors who used to work as civil servants or advisors to any government bodies holding major shareholding or having controlling power;
 - 3) Not being a person of whole blood or registration as stated in the law, in the manner of being father or mother, spouse, brotherhood and offspring including spouse of the offspring of the management, other directors, major shareholders, persons with controlling power or persons to be proposed as the Company's directors or management or persons with controlling power on the Company or subsidiaries;

- 4) Not having business relation with the Company, the subsidiaries, the affiliates, the major shareholders or the persons with controlling power, in the manners that may obstruct the independent exercise of discretion; and not having been a significant shareholder;
- 5) Not being or having been an auditor of the Company, the subsidiaries, the affiliates, a major shareholder or a person with controlling power; not being a significant shareholder, an authorized person or partner of auditing offices whose auditors work for the Company, the subsidiary, the affiliates, a major shareholder or a person with controlling power in the Company, except relieved from such characteristic at not less than two years before the date of submission for permission from the Securities and Exchange Commission;
- 6) Not being or having been a professional provider of legal consulting or financial consulting services, with service fee exceeding Baht two million per annum, for the Company, the subsidiaries, the affiliates, major shareholder or a person with controlling power on the Company; not being a significant shareholder, a person with controlling power or a partner of the professional provider, except relieved from such characteristic at not less than two years before the date of submission for permission from the Office Securities and Exchange Commission;
- 7) Not being a director appointed to be a representative of a director of the Company, a major shareholder or shareholders with a relation to the major shareholder;
- 8) Not operating similar business or involving in significant business competition to the applicant or the subsidiary; not being a significant partner in a partnership company or not being a director, an employees, an advisor earnings regular salary; or not holding shares of over one percent of the total shares with the voting right in other companies that operate business similar or competing with business of the Company or subsidiaries;
- 9) Not having other characteristics that will hinder independent opinions about the Company's operation;
- 10) Being a trusted and accepted person in general
- 11) Sparing sufficient time to perform duties as a member of Audit Committee

An independent director may be assigned by the company's Board of Directors to make decision about matters related to the business operation of the Company, the subsidiaries, the affiliates, the subsidiaries of same level, the major shareholders or the persons with controlling power on the Company under the method of collective decision.

In case a person falls to the aforementioned Item 4 or 6, the Company's Board of Directors may be able to consider appointing that person as an independent director provided that the Board of Directors views that the appointment of that person will not have a impact on the performance and independent opinion of that person. The following information must be included in the invitation letter of the Annual General Meeting of Shareholders for the agenda about the appointment of independent directors.

- 1) The details of business relation or profession services that disqualify the person as an independent director
- 2) Reasons and necessity for why the person is needed to be appointed as an independent director
- 3) Opinions of the Board of Directors in regard to the appointment of such person as an independent director

Nomination of Directors and Top Management

The Nomination and Remuneration Committee set policies and criteria to select and appoint the Company's directors and proposes the names for an approval of the Board of Directors and/or an Annual General Meeting of Shareholders. A person to be appointed as the company's director shall possess qualifications as specified by the Public Limited Company Act B.E. 2535, regulations on securities and securities market, notifications of the Stock Exchange Commission, the notification of the Capital Market and other regulations linked other qualifications about knowledge, and etc. According to the Company's regulation, the Company's Board of Directors consists of at least five members and at least half of the total members shall reside in the Kingdom of Thailand. In addition, the Company's directors shall be elected by voting in the Annual General Meeting of Shareholders as the following details:

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 in the Board of Directors shall be selected in order of the number of the votes received. In a case there is a tie amongst candidates, the chairman of the meeting shall cast the deciding vote.

In every Annual General Meeting of Shareholders, one-third of directors have to leave the position. In case the number of directors remaining in the position for the same duration is higher than the number of directors that have to leave the position, such directors shall end in a draw. A director who is about to leave the position can be elected in the next term. In addition to completing the term, a director may leave the position by death, resignation, disqualification, prohibition by law, termination by the annual general meeting, or a court order.

Moreover, the Company's directors are prohibited from operating similar business to compete with the Company's business. They are also prohibited from holding shares in partnership corporate or being directors of any companies doing the same businesses as the Company's and competing with the Company unless they inform such information to the annual general meeting prior to the appointment of directors.

Control of the subsidiaries and affiliates

Matching Maximize Solution Co. Ltd. emphasizes the importance of management of the Group; hence, it proposed that directors or management members of the Company be appointed as directors of the companies under umbrella in order to control and ensure that those companies run business and employ strategies in line with the Company. This is to maximize benefits and values for all groups of stakeholders. The representative directors report the performance to the Company's Board of Directors. Information is required to be disclosed, as guided by the Company. Moreover, the Company also has the internal control and system development department to oversee the overall internal control system and report to management and directors, ensuring that the Company's control system is carried out in accordance with the guidance determined by the Company's Board of Directors.

Internal Information Control

The Company has a policy not to allow its personnel to disclose internal information and personal benefits to outsiders. The Company has a policy to take care of the management, the details of which are as the follows:

1. Educate the directors and the management in all departments regarding the information about possession of assets of themselves, their spouses and children who do not reach their majority; to provide information about penalty stated in the Securities and Stock Exchange Act B.E. 2535 as well as regulations set forth by the Stock Exchange of Thailand.
2. Require that the management report the changes of their asset holding to the Securities and Exchange Commission and the Stock Exchange of Thailand and submit a copy of the report to the Company on the same day they report to the Securities and Exchange Commission
3. Send circular notice to order the management who is aware of significant internal information (that may result in the change of the share price) to suspend the trading of the Company's securities one month before the Company's financial statement or the internal information is disclosed to public; such management is not allowed to disclose significant information to outsiders.

Remuneration for the Auditor

1. Audit Fee

The Company and its subsidiaries paid the audit fee to the audit office of the authorized auditor amounting 2,120,000 baht in 2018

2. Non-Audit Fee

- None-

Corporate Governance

The Company's Board of Directors realizes and strongly believes that the good corporate governance principle will be a main factor to add values and enhance its competitiveness. The Company has studied and began to implement a new set of corporate government policies or Corporate Governance Code (CG Code) as a framework for our corporate governance practice in order enhance our corporate governance standard to meet the expectation of the business sector, investors, capital markets and the overall society. Hence, the Company reviews and always updates our existing corporate governance principle to complete a guideline for good corporate governance guidance or the new Corporate Governance Code, which covers eight principle aspects.

1. Board of Directors, management, and employees shall follow the good corporate governance principle with clear understanding.
2. Board of Directors, management, and employees shall be fair and treat stakeholders with equality and perform duties with faithfully, honesty and transparency for the benefits of the Company. The work of Board of Directors, management, employees can be scrutinized and the performance shall create sustainable corporate value.

The good corporate governance principle for the Company's Board of Directors, management and employees for use as a guideline are discussed below.

1. Establish Clear Leadership Role and Responsibilities of the Board

The Company's directors shall possess skills, knowledge, abilities and extensive experience so that they can utilize their knowledge, skills, abilities and common senses to determine visions, missions, strategies, directions, policies, and objectives of the Company. The Directors also monitor performance and ensure that objectives are achieved and perform duties in accordance with policies, regulations and various rules. They also manage risks, ensuring that the risks are at the acceptable level under the laws, objectives and shareholders' meeting resolutions. They shall perform duties with honesty and caution, taking account of the biggest benefits to the Company. They should also be responsible for shareholders and all stakeholders. They should also work effectively, transparently and their performance can be securitized.

In addition to the operating performance, the directors should emphasize social issues as well as environmental and ethical issues. Morals and ethical should be promoted. The Company should strictly firmly to transparency, honesty, and fairness; it thus announced The Code of Ethical Business as general criteria for directors, management, and employees. This Code is clear enough to prevent wrongdoing or any actions that may damage images and the Code also reflects the Company's desire to have everyone strictly follow the laws and the Company's policies and value. The Company announces its Code of Ethical Business on the website www.matchinggroup.com as a practical guideline for all employees to perform with efficiency.

2. Define Objective that Promote Sustainable Value Creation

The directors are responsible for determining, considering and approving key matters linked to the Company's operation, e.g., visions, missions, objectives, strategies and possible risks. The directors shall take into account of the value to the Company, clients, shareholders, stakeholders and the society as a whole.

Philosophy of 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 set the business philosophy with the aims to:

- Enhance its competitiveness as a leader in TV commercial production and service market;
- Become an excellent organization with the working teams committed to creation of new things. All employees trust one another and operational standard is created for the management and employees at all levels; details of which are as follows:
 - Focus on maximizing benefits for the Company in the long term in order to create maximum values to shareholders;
 - Concentrate on equitable treatment for both shareholders and stakeholders
 - Prevent conflicts of interests

- Manage with carefulness, caution and responsibility
- Ensure transparent operation that can be scrutinized
- Ensure that the Company's internal control and internal audit systems are up to standard, reliable and efficient
- Set the Code of ethical Business for directors and employees to follow

The Board of Directors oversees the Company's annual plan and strategies accord the main goal of the Company, taking into account the potential, relevant factors, ongoing circumstances, opportunities and acceptable risks. This is evidenced by the Company's investment in filming equipment, of which the technology can change rapidly, as the Company sees that clients tend to choose an operator who can provide new. Hence, the Company has continued to invest in new equipment to meet client's demand; moreover, the Company has also continued to enhance its personnel's potential and skill to invent some special equipment with special technique in order to provide technical support. Furthermore, regular training is provided for personnel, so that they possess extensive expertise and skills in using equipment to facilitate our clients.

The Company's business plans and strategies have been regularly reviewed to be prepared for potential changes. The Company has completed long-term business plans to ensure that we operate business in the right direction based on the long-term business plan and strategies and that we can anticipate what might happen in the future to a certain degree.

To disclose the Company's vision, mission or major business goal to employees and external parties, we publish our vision, mission, business overview and business goal in our Company's website.

3. Strengthen Board Effectiveness

The Company's Board of Directors consists of nine directors, who serve a service term of three years. One of them is a management member, while eight do not involve in movement. Out of the total directors, three of them are qualified as independent directors, according to the Securities Exchange Commission's requirement that a SET-listed company have independent directors at the number equivalent to or more than one-third of the total directors.

The Board of Directors acts as the representatives of the shareholders and oversees the Company's overall management. They shall lead and be involved in determining the Company's targets, directions, policies, work plans and budget. The Board of Directors should honestly make sure that the Company's business is operated in accordance with the laws, Company's objectives and regulation as well as the resolutions of the shareholder meetings in order to maintain the benefits of the shareholders. They board should also take into account of all other stakeholders. In addition, the Board of Directors also has to monitor the management's performance to ensure that the established policy is achieved efficiently and effectively. This would not only increase the maximum economic values to the Company but also lead to the highest stability for the shareholders. The Board of Directors set up the internal control system and closely followed the implementation of such on a regular basis. The members of Executive Committee are authorized to approve the investment worth not more than

20 million baht while the Chief Executive Officer is authorized to approve the investment worth not more than 15 million baht. Finally, the Company's Board of Directors appoints the Audit Committee to strengthen the Company's internal control system and ensure sufficient and appropriate good corporate governance practices.

The Chairman of the Company's Board of Directors shall not be the same person as Chief Executive Officer so that the responsibilities in regard to corporate governance and general management are separated. This will allow the Company to operate business with transparency and minimize the chances of conflicts of interests or controlling power of Chief Executive Officer because the power of both positions shall be balanced in order to better maximize benefits for the Company and the shareholders.

Sub-Committees

For more effective and transparent corporate governance in the Company, the Board of Directors sets up some sub-committees to assist in operation and corporate governance affairs as the following details:

- **Executive Committee**

Company's Board of Directors selects five qualified directors and management to be members of Executive Committee in order to manage and control the Company's operations as assigned by the Board of Directors.

- **Audit Committee**

The Board of Directors appoints three independent directors to be the members of the Audit Committee. At least one of the three independent directors must possess 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 responsibilities of the Audit Committee set by the Stock Exchange of Thailand. The Audit Committee reports directly to the Board of Directors and their scope of duties and responsibilities, as stated in the charter of the Audit Committee, is reviewed at least once annually.

In 2018, one director passed the training and obtained the certification of 'How to Develop a Risk Management Plan (HRP 16/2018) :IOD' and CAC SME IA Certification: Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).

- **Nomination and Remuneration Committee**

In 2013, the Board of Directors established the Nomination and Remuneration Committee, consisting of three non-management members and most of them were independent directors. This Committee is responsible for setting policies, principles and guidelines for nomination and selection of the Company's directors, sub-committees and top-management members. The Committee also determines the amounts of remuneration and other benefits for directors and sub-committee members as well as top-management members. The Nomination and Remuneration Committee reports performance and proposes opinions or suggestions to the Board of Directors.

- **Corporate Governance Committee**

The Company does not appoint any specific sub-committee as it views that the Board of Directors and Executive Committee are able to make decisions on various matters effectively. However, in the future, once the Company's business size is boarded and entail larger organization structure with more complicated management procedure, the Company may consider appointing a particular sub-committee for some specific matters as deemed appropriate.

Board of Directors Meeting

The Board of Directors meets monthly and some special meetings are called for as needed. The invitation letters clearly indicating the meeting date and agenda are sent to the members of Board of Directors at least seven days prior to the scheduled meetings to ensure that the directors have adequate time to consider the information ahead of their meeting attendance. Each meeting normally takes not less than two hours. In each meeting, the Chairman of the meeting allows each director to express his/her opinions freely. In 2017, there were 11 Board of Directors meetings, 11 Executive Committee meetings and six Audit Committee meetings, and four Nomination and Remuneration Committee meeting. In 2018, there were 11 Board of Directors' meetings, 10 Executive Committee meetings, five Audit Committee meeting and three Nomination and Remuneration Committee meetings. The details of each director's attendance are shown in the following table:

Name	Position	Attendance / Total meetings (times)							
		Board of Director		Executive Committee		Audit Committee		Nomination and Remuneration Committee	
		2017	2018	2017	2018	2017	2018	2017	2018
1. Mr. Sansrit Yenbamrung ^{/3}	- Chairman of Board of Directors - Chairman of Executive Committee - Chairman of Nomination and Remuneration Committee	8/11	11/11	10/11	10/10	-	-	-	2/2
2. Mr. Somrit Srithongdee ^{/3} (Resigned on April 24-25, 2018)	- Chairman of Board of Directors - Chairman of Nomination and Remuneration Committee	11/11	3/3	-	-	-	-	4/4	1/1
3. Mr. Poomchai Wacharapong	- Director - Executive Director - Chief Executive Officer	10/11	11/11	11/11	10/10	-	-	-	-
4. Mr. Pattanapong Nuphan	- Director - Executive Director	10/11	11/11	10/11	10/10	-	-	-	-
5. Mr. Nuttawit Boonyawat	- Director - Executive Director	11/11	11/11	11/11	10/10	-	-	-	-
6. Mr. Somkiat Charoenpinyoying ^{/3}	- Director	-	8/8	-	-	-	-	-	-
7. Dr. Yaowalak Poolthong	- Director - Executive Director	-	8/8	-	6/6	-	-	-	-
8. Mr. Somboon Cheewasutthanon ^{/4} (Resigned on March 31, 2018)	- Director - Executive Director	10/11	3/3	11/11	3/4	-	-	-	-
9. Mr. Akarat Na Ranong	- Independent Director - Chairman of Audit Committee	11/11	10/11	-	-	6/6	5/5	-	-
10. Mr. Chatrapee Tantixalerm ^{/2}	- Independent Director - Member of Audit Committee - Member of Nomination and Remuneration Committee	2/2	10/11	-	-	2/2	5/5	2/2	3/3

Name	Position	Attendance / Total meetings (times)							
		Board of Director		Executive Committee		Audit Committee		Nomination and Remuneration Committee	
		2017	2018	2017	2018	2017	2018	2017	2018
11. Mr. Nuttawut Phowborom ^{/1} (Resigned on September 27, 2017)	- Independent Director - Member of Audit Committee - Member of Nomination and Remuneration Committee	4/9	-	-	-	3/4	-	2/2	-
12. Mr. Kamol Ratanachai	- Independent Director - Member of Audit Committee - Member of Nomination and Remuneration Committee	10/11	11/11	-	-	6/6	5/5	4/4	3/3
13. Mr. Wiroj Bunsirungruang	- Executive Director - Senior Executive Vice President - Company's Secretary	-	-	10/11	10/10	-	-	-	-
14. Mrs. Siripen Sasinmanop	- Executive Director - Executive Vice President	-	-	10/11	10/10	-	-	-	-
15. Mr. Montri Yoosomboon	- Executive Director	-	-	10/11	10/10	-	-	-	-

Note :

In 2017, ^{/1} Mr.Nuttawut Phowborom resigned from the positions of Independent Director, Member of Audit Committee and Member of Nomination and Remuneration Committee on September 27, 2017.

^{/2} Mr. Chatrapee Tantixalerm was appointed as Independent Director, Member of Audit Committee and Member of Nomination and Remuneration Committee on September 27, 2017

In 2018 ^{/3} Mr.Somrit Srithongdee resigned from the position of Chairman of the Board of Directors, effective on April 24, 2018 and from the position of director, effective on April 25, 2018. Mr. Sansrit Yenbamrung was appointed as the Chairman of the Board of Directors, effective on April 24, 2018. Mr. Somkiat Charoenpinyoying was appointed to replace him as a director, effective on April 25, 2018.

^{/4} Mr.Somboon Cheewasutthanon resigned from the position of director, effective on March 31, 2018, appointed Dr. Yaowalak Poolthong as a director, effective on April 25, 2018 onwards. Mr.Somboon Cheewasutthanon resigned from the position of Executive Director and Managing Director on June 30, 2018 and Dr. Yaowalak was appointed to replace him as an Executive Director, effective on July 5, 2018.

The written minutes of the meetings, endorsed by the Board of Directors, are properly recorded and filed. They are always available for review and audit by the Board of Directors and related parties.

Board of Directors' Reports

The Board of Directors holds responsibility for the Company and its subsidiaries' financial statement (already audited by the auditor) as well as all disclosed financial information. The Board of Directors realizes the importance of the accuracy and reliability of such financial reports and information. Hence, the Board of Directors has a policy to complete a report on the responsibility of the Board of Directors in regard to the financial reports and financial information disclosed in the Company's annual report. The financial statement is regularly prepared to conform to the generally accepted accounting standards. In preparing such financial reports, appropriate accounting policies are selected and consistently applied while judgment and forecast are carefully used. Moreover, the significant information shall be adequately disclosed in the footnotes to financial statement covering the guideline for SET-listed companies announced by the Stock Exchange of Thailand.

Moreover, the Audit Committee appointed by the Board of Directors is responsible for overseeing the quality of Company's financial reports and the internal audit system. Comments from the Audit Committee are reported in the 56-1 Form. All members of the Audit Committee and the management attend meetings in order to review the adequacy of the Company's internal audit system in various areas set by the Company's management. The minutes of every Board of Directors' meeting are recorded and contain proper details, e.g. questions and opinions of each director for each agenda and opposite opinion along with the rationales, so that the shareholders can examine the appropriateness of the directors in performing their duties. Meanwhile, the Board of Directors continuously and firmly focuses on applying the good corporate governance policies to the management and operation to create a good image and reliability of the Company among the investors and the public.

Prevention of Conflict of Interests

Realizing possible conflicts of interests, the Board of Directors issues guidelines as a part of the Code of Ethical Business for all management and employees to avoid any personal conflicts of interests with the Company and shareholders when dealing with trade partners and other parties.

Moreover, transactions that may cause conflicts of interests or connected transactions shall be considered properly by the Board of Directors meetings. The Board of Directors clearly determines guideline policies as well as approval procedures in accordance with the Stock Exchange of Thailand's regulations. For example, a person who has conflicts 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 power). In addition, pricing and conditions of the connected transactions shall be conducted in the same manner as 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 are to be disclosed in the Company's annual report, 56-1 Form and financial statements.

Remuneration for Directors and Management

In 2013, the Board of Directors established the Nomination and Remuneration Committee who determined the amounts of remuneration and benefits for directors and management members for the fiscal year 2018 based on the Company's business scale, responsibilities of each director and management member in comparison to Company's business expansion and growth. The Nomination and Remuneration Committee proposed the amounts for an approval by the Board of Directors. The remuneration for the Company's directors and sub-committee members is subjected to an approval from the Annual General Meeting of Shareholders. (Note: The information in regard to the remuneration for the directors and management members is disclosed in the Management section)

The Code of Ethical Business

The Company puts in place the Code of Ethical Business for all directors and employees to comply with in order to enhance values of its business. A primary goal of the Code of Ethical Business is 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 assigns responsible persons to assess the performance and improve such Code of Ethical Business. Finally, the Company also has a policy to educate and provide training for all staff and management constantly to ensure their understanding and knowledge and publish information for all employees on a regular basis.

4. Ensure Effective CEO and People Management

The Nomination and Remuneration Committee set policies and criteria to select and appoint the Company's directors and proposes the names for an approval of the Board of Directors and/or an Annual General Meeting of Shareholders. A person to be appointed as the company's director shall possess qualifications as specified by the Public Limited Company Act B.E. 2535, regulations on securities and securities market, notifications of the Stock Exchange Commission, the notification of the Capital Market and other regulations linked other qualifications about knowledge, experience, and etc. According to the Company's regulation, the Company's Board of Directors consists of at least five members and at least half of the total members shall reside in the Kingdom of Thailand. In addition, the Company's directors shall be elected by voting in the Annual General Meeting of Shareholders as the following details:

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 in the Board of Directors shall be selected in order of the number of the votes received. In a case there is a tie amongst candidates, the chairman of the meeting shall cast the deciding vote.

The Board of Directors oversees the management operation and personnel development. The board ensures that human resource management is carried out in accordance with the Company's vision, goals and strategies. They make sure that trainings are provided for employees to educate them, enhance their knowledge, ability and skills as well as motivate them as appropriate. Finally, the Board of Directors also ranged the establishment of employee's provident fund for their pensions.

5. Nurture Innovation and Responsible Business

The directors promote innovation and responsible business in order to add corporate values in accordance with economic and environmental conditions, which change continuously. The Company creates organizational culture, principles and conceptual methods, work procedure, view for program design, and services. The directors make sure that the departments in charge of business management and operator work with responsibility to society and environment. The directors also see that the Company operates business with ethics, not violating rights of the stakeholders, in order that everyone in the organization can achieve major objectives and goals as the following guideline.

1. Responsibility to directors, management and employees
 - 1.1 The Company has a policy to determine appropriate and fair remuneration for directors, management and employees
 - 1.2 The Company emphasizes safety, security and career paths of employees.
 - 1.3 The Company has policy to have directors, management and employees protected by laws.

2. Responsibility to clients

The Company is committed to ensure that the business operation is done in accordance with laws and relevant standards, taking into account health conditions, safety, and fairness. Client's information is kept confidential. After-sales service is provided throughout product and service life. Clients' satisfaction is monitored to develop our products and service. Sales conduct must be carried out with responsibility, preventing any misunderstanding or not taking advantages of clients' lack of clear understanding.

3. Responsibility to partners

The Company wishes to provide goods and services with standards and ethics. Suppliers are invited to offer the bids and the selection process is appropriately carried out. There are appropriate criteria for selection of trade partners with proper contracts being signed. The Company also ensures that the conditions stated in the contracts are strictly followed in order to prevent corruption in the procurement process. The Company has a policy to keep clients' and partners' secrets confidential and run business with fairness and independence. There is no wrongdoing in business between trade partners and contract partners. There are no acts of bribery or provision of presents for other people for business benefits.

The Company upholds fair business practice under the decision principles based on comparison of conditions, prices and quality. In addition, services are provided with transparency and can be securitized. Under any circumstances, the Company is strongly prohibited from offering or gaining improper business benefits. The Company is committed to sustaining long-term relation with partners and contract partners with clear objectives about maintaining values of goods and services, worthwhile services, technical quality and trust between each party. The Company makes payments to trade partners and contact partners in accordance with the agreed payment terms and conditions.

4. Responsibility to communities, society, environment and government

The Company has a policy to run business while taking into account the communities, society, environment, and government. The Company also complies with the existing laws and regulations related to the communities, society and government. In case there are no certain laws on some particular matters, the Company treats communities, society, environment and the government with responsibility as follows:

- 4.1 Operate business under laws and the Company's regulations.
- 4.2 Operate business under laws and the state orders and regulations.
- 4.3 Take into account environmental aspects and good custom and culture.
- 4.4 Encourage directors, management and employees to act as good citizens who contribute to communities and society.
- 4.5 Respect virtuous national culture when doing business.

5. Anticorruption

To demonstrate the strong intension for anticorruption practices, on 19 May 2017, the Company became a member of Collective Action Coalition, a coalition of many agencies in the Thai private sector who campaigns against corruption. The coalition was formed by Thai Institute of Directors, Thai Chamber of Commerce, Foreign Chamber of Commerce, Thai Listed Companies Association, Thai Banks Association, Federation of Thai Industries, Federation of Thai Capital Market Organizations and Tourism Council of Thailand. The coalition has objectives to create standards for transparent business and enhance business ethical standards. Accordingly, the Company announced an anti-corruption policy aimed at tightening internal control measures and preventing corruption practices, e.g., offering gifts, special service compensation, and other expenses to officials or any individuals that may involve conflict of interests; receiving gifts or assets from outsiders: if the values or gifts are high and it is believed that receiving of such gifts is not appropriate, such items shall be returned to senders. Regarding work transparency, all budget disbursement transactions must be done in accordance with the Company's regulation. Regarding a procedure to choose a supplier, the purchasing department has to follow bidding process. Finally, the Company conducted whistle blowing and protected employees who reported clues of corruptions, which was done under the legal framework.

6. Strengthen Effective Risk Management and Internal Control

Risk Management

The Company realizes the importance of risk management, which is a key mechanism and tool for management helping the Company reach its goals and targets. The risk management also helps minimize losses while enhancing the Company's competitiveness. Moreover, the risk management is a key element for good governance. Hence, the Company continues to develop its risk management system. In light of this, the Company appoints the Executive Committee to work on the policy level. Meanwhile, the Company also includes 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 hold the responsibility to manage and control and maintain risks at acceptable levels. Finally, they follow up and evaluate risks to be in line with both internal and external circumstances that may change on a regular basis.

Internal Control and Internal Audit

Realizing the importance of the internal control system, the Company thus focuses greatly on sufficiency and appropriateness of its internal control system covering finance, management and operation. The Company also ensures that its internal control system is complied with the laws and related regulation and improves 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 specifies the duties, responsibilities, and power of the employees both in the operation level and the management level in a written form. Uses of the Company's assets are controlled to maximize benefits to the Company. In addition, the duties of employees in the operation, inspection and evaluation sectors are clearly separated in order that an appropriate balance of work is created. Moreover, the Company also creates 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 report under the "Internal Control" section.

To ensure the efficiency in production of important documents and the internal control and to ensure that the internal control is improved regularly, the Company set up the internal audit department in 2008. This department is 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 department's main objective is to ensure that core operation and the financial activities of the Company and its affiliates are effectively run and meet the management's objectives. In addition, the internal audit department also inspects whether all operations of the Company are in accordance with the laws and other regulations set by the Company. Hence, in order to enable the members of internal audit department to perform their duties independently, the Board of Directors requires that the internal audit department report directly to the Audit Committee. The internal audit department

is also assigned to carry out inspection duties, in accordance with the Company's annual business plan approved by the Audit Committee. The internal audit department is required to make regular reports of inspection results and send some suggestions to the management and Audit Committee in a prompt and regular manner.

7. Ensure Disclosure and Financial Integrity

The Board of Directors supports management personnel who work on disclosure of financial information, such as, the chief executive on accounting and finances, the director of accounting and staff in the accounting and finance department, the internal auditor, encouraging them to acquire knowledge, skills and experience appropriate for their responsibilities and ensuring that the Company has sufficient number of such personnel.

The Board of Directors ensures that the management monitors and accesses the Company's financial position. The management is required to report operating results to the directors on a regular basis. Once any signs of financial liquidity or any signs linked the Company's ability to settle debts are found, the directors and management shall work together to find justified solutions in a prompt manner.

The Board of Directors ensures the disclosure of information, e.g., financial reports, financial statement, annual reports, shareholder's structure and shareholders' meetings through the Company's website to make it certain that the information is disclosed equally both within and outside the company in a prompt manner and with the same understanding.

8. Ensure Engagement and Communication with Shareholders

Although the voting right of shareholders depends on the 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 meeting, all shareholders have the rights and equality of receiving information, expressing opinions and asking questions, in accordance with the meeting agenda and the issues discussed in the meeting. The chairman of the meeting is responsible for allocating appropriate time to the shareholders to ask questions as well as encouraging them to express their opinions. Normally the shareholders are able to obtain the details of the meeting details and agendas from the Company's website prior to the meeting date. To promote the rights of the shareholders, the Company posts an announcement encouraging the shareholders to nominate a person to take the role of a director and suggest the additional meeting agendas for the Annual General Meetings of shareholders. In addition, the shareholders are also encouraged to express their ideas about clear operation guidelines.

The Company has a policy to hold an Annual General Meeting of Shareholders once a year within four months after the end of the previous fiscal year. Normally, the Company disclosed all details about the meeting, e.g., the meeting date, the meeting agenda, and etc., 21 days prior to the meeting date. The Company appointed Thailand Securities Depository Co., Ltd. as the Company's registrar. In 2018, the Company held the Annual General Meeting of Shareholders on April 25, 2018. The attendees included Chairman of the Board of Directors, Chairman of Audit Committee, directors and members of Audit Committee. The Board of Directors accommodates in all shareholder meetings by treating all shareholders equally, in terms of their right documentation.

When the Company is about to arrange a shareholder meeting, we submit invitation letters that include: the meeting agenda; details of each agenda which clearly states whether it is for acknowledgement, approval or consideration, Board of Directors' opinions on such agenda and relevant information. These details are sent to the shareholders no less than fourteen days prior to the meeting so that the shareholders have sufficient time to review the meeting details before exercising their voting rights for each agenda. Moreover, the invitation letters and details about the meeting are also published in the newspapers for three consecutive days at least three days prior to the meeting date. The proxy documents are also attached to the invitation letters for the shareholders who may be unable to attend the meeting and who would like to attend the meeting and vote by proxy. Such shareholders may ask any person or one of the Independent Directors to act as their proxies. Such shareholders have the full right to ask their proxies to have full votes or partial votes as their wishes.

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

- 1) Consider the Board of Directors' report regarding the Company's performance for the previous fiscal year
- 2) Consider approving the balance sheet and the statement of comprehensive income
- 3) Consider approving profit allocation and dividend payment
- 4) Consider appointing new directors to replace those who leave after their terms end; and determine directors' remuneration
- 5) Consider appointing an authorized auditor and the audit fee
- 6) Discuss other matters as deemed appropriate by the chairman of the meeting

The shareholder meeting resolution shall be comprised 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.

In the following cases, no less than three-fourth of the total number of votes cast by the present shareholders shall be deemed resolution:

- Sale or transfer of the Company's business, entirely or partially, to other parties
- Purchase or receive the transfer of the business from other companies or private companies to the Company
- Arrangement, amendment or termination of any contracts with respect to the granting of a lease of the Company's business, entirely or partially, the assignment to any other person(s) to manage the Company or the merge of the Company with any other parties in order 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 impact on shareholders' benefits or have to conform to any rules or regulations that require shareholders' resolution, the Company may reserve the right to call for an extraordinary general meeting on a case - by - case basis.

Corporate Social Responsibility

The Company operates our business, based on the relevant laws as well as the code of ethical business with an emphasis on the corporate government principles in relation to the rights of all groups of stakeholders as well as corporate social responsibility.

The Company and subsidiaries' CSR-in- process guidelines are as follows

1. Operate business with fairness

The Company emphasizes the importance of business operation that supports free trade competition. The business is carried out with honesty and fairness under the Company's rules and regulations. The Company avoids any activities that may cause conflicts of interests.

Operation guideline

- In terms of purchasing and recruiting, when choosing operators or contractors, the Company takes into account of equality and fairness. No special favor is given to any particular individuals or entities to ensure fair competition
- The Company's policy is strongly against any activities that involve in infringement of intellectual property or copyrights

2. Anti-corruption

The Company has a policy against corruptions by setting the code of ethical business to highlight our intention against corruptions. In light of this, the Company became a member of Collective Action Coalition

Operation guideline

- Complete a written code of ethical business and anti-corruption policy, which helps strengthen the Company's internal control and better prevent corruptions. These code of ethical business and anti-corruption policy are published on the Company's website;
- There is a process to assess risks linked to internal corruptions and the operation result is accessed through COSO-based internal control.
- The internal control unit inspects the operation procedure of work system, the risk management system and the compliance with the set code of ethical business.
- Conduct the whistle blowing as well as determine ways to protect employees/ informants who report clues of corruptions, based on the set principles and relevant laws. All groups of stakeholders may give clues through letters, the phone at 02-669-4200-9 or e-mail: info@matchingstudio.com. The Company discloses the channels for giving clues on the Company's website.

(See details in Section Good Corporate Governance, Part 5: Nurture Innovation and Responsible Business)

3. Respect human rights

The Company focuses on the importance of human rights, taking into account of equality, freedom, and equality of dignity and rights of individuals. The Company is strongly against discrimination of nationalities, races, religions, languages, ages, genders, marital status, sexual preferences and disability.

Operation guideline

- Support and respect human right protection affairs, e.g., not supporting any activities that force labor to work, being against child labor, and etc.
- The Company and its subsidiaries offer equal employment opportunities to general individuals, including disabled people

4. Treat employees with fairness

Being well aware that manpower is a key factor that can enable the Company to enhance our potential and successfully reach our business growth targets, the Company treats employees with fairness, with the following policies being announced:

Recruitment policies and operation guideline

- Be against any practices of labor forcing; not collect money or keep employees' identification documents unless required by law;
- Make payment of wages and remuneration in the Thai baht currency at the rates not less than what specified by law; not withhold employees' remuneration for any cases, except for the case specified by law;
- Set working hours at not more than the working hours specified by law and calculate overtime hours in accordance with what specified by law;
- Provide safe workplace for pregnant employees; neither terminate their employment contracts nor reduce their benefits due to their pregnancy;
- Support employees' efficiency enhancement by allowing them to participate in public trainings and in-house trainings at all levels; organize field trips for employees to see business operation of other organizations in the same industries in order to broaden visions as well as learn new technologies, which may be used to develop the organization;
- Provides safe and hygienic workplace as well as necessary healthcare facilities

Personnel policies and operation guideline

- Employees are the Company's most valuable resources and they are key success factors for the Company. The Company creates favorable values, culture and working environment and also treats employees with politeness, also with respects of their rights and freedom. The Company also tries to tighten relationship and bond among employees in the Company and the subsidiaries.

- Employment, appointments, transfer, remuneration and benefits of employees are based on fairness and facets as well as the Company's actual operation performance.
- Safety is also another key issue. It's the Company's responsibility in creating working environment that is safe for employees' lives and their property. The Company also provides necessary and appropriate welfare items, e.g., certificate for free-drug workplace from the Department of Labor Protection and Welfare, an annual test of alarm system, annual check-up, group life insurance and accident insurance policies, OPD allowance, and other benefit packages.

5. Responsibility for consumers

The Company is committed to development of goods/services to benefit organizations and society. The Company is also determined to produce high quality goods/services, which are safe for consumers and environment.

Operation guideline

- Create the TV program, which not only focuses on entertainment and profit but also includes useful information, assisting and creating good opportunities for people in communities and thus benefiting society in the future.
- Provide quality services and support clients' need with fairness, e.g., producing works or offering services based on the terms and conditions stated in the contracts, with quality and standard being taken into account.
- Keep clients' information at safe places and does not disclose such information unless allowed by the clients.

6. Preserve environment

Operation guideline

- In the business process, the Company focuses on effective use of resources and technology in the process of production and service provision, taking into account safety and friendliness to environment
- The Company effectively utilizes resources by initiating "Green Office Program" aimed at saving energy

7. Help develop communities and society

Emphasizing the responsibility to society, the Company supports, collaborates and provides assistance in various community development programs.

Internal control and risk management

Board of Directors' opinions about the internal control system

According to the Board of Directors' meeting No 2/2019 held on February 22, 2019, in the presence of all three members of the Audit Committee, the Board of Directors evaluated the Company's internal control system by inquiring the management as well as other related staff and completing the valuation form to assess the adequacy of the internal control system, which is based on the evaluation form of the Securities and Exchange Commission under the concept of The Committee of Sponsoring Organization of the Tradeway Commission (COSO). The concept determines five key elements of the internal control system: i) Control of Environment; ii) Risk Assessment; iii) Control of Activities; iv) Information & Communication and v) Monitoring Activities. The Directors opined that the Company's internal control system was appropriate and sufficient for business operation under the current circumstances and that the Company's internal control system could prevent the Company's assets from being damaged or wrongly used for seeking personal benefits by particular individuals.

The head of Internal Audit Department and the head of Corporate Governance

The Audit Committee Meeting on December 14, 2012 No. 5/2012 appointed Mr. Chinawat Masrangsan as an acting director of the internal audit and system development department and a secretary to the Audit Committee, effective from December 14, 2012 onwards. Mr. Chinawat Masrangsan possessed six-year experience in internal audit. He attended various trainings on internal audit functions, e.g., Audit Program 1 Class 43 and Audit Program 2 Class 38 provided by the Federation of Accounting Professions. In 2017, he passed the training and obtained a certificate on Risk Management Program for Control Program organized by Thai Institute of Directors. He had good understanding about the Company's activities and operation. Hence, he was deemed as a qualified person for the position.

Note that to consider appointing, removing and transferring the head of the internal audit department is subject to approval (or acknowledgment) of the Audit Committee.



Audit Committee Report for 2018

Dear Shareholders of Matching Maximize Solution Public Company Limited,

The Audit Committee of Matching Maximize Solution Public Company Limited, appointed by the Company's Board of Directors, consists of three independent directors. The scope of responsibilities of Audit Committee, based on the charter of the Audit Committee, is in compliance with the rules and regulations of the Stock Exchange of Thailand.

During the year 2018, the Audit Committee convened a total of five meetings, attended by the authorized auditor, the Company's management and the internal auditor. One meeting was only for the Audit Committee and the authorized auditor, without the presence of the Company's management. The following key issues were reviewed:

1. Good Corporate Governance

The Audit Committee reviewed and examined whether Company's business operation was in compliance with good corporate governance principles by meeting with the Company's management and the internal auditor to acknowledge the guidelines of good corporate governance principles as well as creating the same understanding among the directors, the management and the employees, ensuring they followed the set policies. The Company reviewed the good corporate governance principles and the code of conduct at least once annually. In 2018, the Company started to study and implement the new set of corporate governance principles or Corporate Governance Code as a key framework for corporate governance practice. In addition, the Company also conducted self evaluation about anti-corruption measures and carried out Whistle Blower operation to ensure that the Company's corporate governance policies were appropriate and adequate in accordance with the current circumstances.

2. Review of Financial Information

The Audit Committee reviewed the interim financial information and the annual financial information of the Company and its subsidiaries to ensure that such financial information was completed in compliance with general accounting standard. The results of the review/audit of the financial information were appropriately and adequately disclosed in the meetings attended by the management, the internal auditor, and the authorized auditor. In the meetings, some observed matters, as well as suggestions based on the review/audit report, the auditing plans and guideline and the independence of the authorized auditor were discussed. After being reviewed by Audit Committee, the report was then presented to the Company's directors for approval or proposal for the shareholders' approval whatever the case may be.

3. Internal control and internal audit

The Audit Committee reviewed the work of the Company's internal control and internal audit affairs in order to evaluate the efficiency and effectiveness of the internal audit department. The Audit Committee examined the independence, the internal audit work plans, budgets, human resource development of the internal audit department. The Committee reported the audit results as well as the results of the follow-up observation on the progress on improvement of the internal audit system, based on the audit review. The Company's management was invited to provide information about the adequateness of the Company's internal controls and the improvement based on the audit review. The Audit Committee made comments and provided additional suggestions for the Company to improve its internal control system in order to prevent operational risks and ensure that the mechanism of the Company's internal control and audit systems were appropriate and sufficient under the current circumstance and nature of business.

4. Compliance with relevant laws and policies set forth by the Board of Directors

The Audit Committee examined whether the Company followed relevant laws and policies set forth by the Board of Directors through the internal audit process of the Company's internal auditors and the authorized auditor. The Audit Committee arranged meetings with the Company's management, the authorized auditor and the internal auditors to ensure that all involved parties were aware of the relevant laws and the policies set by the Company's Board of Directors. The Audit Committee also provided additional suggestions for the Company to enhance the efficiency and effectiveness in terms of corporate governance, thus leading to continued business development.

5. Review of connected transactions that may have caused conflicts of interests

The Audit Committee reviewed connected transactions that may have caused conflicts of interests; the review was done by the internal auditor and the authorized auditor. The Audit Committee arranged meetings with the management in order to ensure that the connected transactions were justified and that the Company employed appropriate and adequate measures to prevent possible conflicts of interests.

6. Consideration to select and appoint the authorized auditor and determine annual audit fee

The Audit Committee considered selecting and appointing an authorized auditor and determining annual audit fee, taking into account the independence, qualifications and experience of the appointed authorized auditor. In addition, the Audit Committee, together with the management, also appraised the performance of the authorized auditor in the previous fiscal year. The Audit Committee suggested that the Board of Directors propose to the shareholders' meeting to appoint PricewaterhouseCoopers ABAS Ltd. as the Company's authorized auditor for the fiscal year of 2019.

7. Report of the performance results of the Audit Committee to the Board of Directors

The Audit Committee reported its performances based on the scope of responsibilities to the Board of Directors at least once quarterly. In addition, the Audit Committee also made additional suggestions and expressed opinions that would benefit the Company's management and administration as a mechanism to boost confidence among shareholders, investors, and all stakeholders of the Company.

The Audit Committee performed duties independently under the scope of its responsibilities and continued to emphasize the significance of the Company's internal control. For the year 2018, the Audit Committee opined that Matching Maximize Solution Plc. and its subsidiaries had effective internal control system, which was adequate and appropriate to the Company's business operation. The Committee did not find any mistakes or problems with the Company's internal control system that would have significant impacts on the accuracy and reliability of the Company's financial reports. In addition, the authorized auditor and internal auditors were found to have worked independently. Finally, the Company's corporate governance and internal control system were found sufficient and appropriate under the current business circumstances.



(Mr. Akarat Na Ranong)
Chairman of Audit Committee

Connected Transactions

Connected transactions during 2007 - 2018

Persons with possible conflicts of interests/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2017	2018	
Bangkok Broadcasting & TV. Co. Ltd. (“BBTV”)	<u>Subleasing the airtime</u>			
<u>Nature of Business</u>	The Company subleased the airtime from BBTV to broadcast its TV program “Plod Nee” on Channel 7.			The Company subleased the airtime from BBTV to broadcast its TV program on Channel 7.
<u>Manage Channel 7</u>	- Cost of service	15.02	11.51	The program was the Company’s core business and the service cost was based on the airtime slots and the agreements. The transaction was done in according with the general trade practice.
<u>Relationship with the Company</u>				<u>Comments of the Audit Committee</u>
- Being an indirect major shareholder (holding 30 % of shares in BBTV Production, which is the Company’s major shareholder)				The service was the Company’s core business.
- The Company’s directors, i.e., Mr. Sansrit Yenbamrung, Mr. Pattanapong Nuphan and Mr. Somkiat Charoenpinyoying were also directors of BBTV and another director of the Company.				The service rate and payment conditions were acceptable. Hence, the transaction was found necessary and justified.

Persons with possible conflicts of interests/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2017	2018	
<p>BBTV News Media Co. Ltd. (“BBTVNM”)</p> <p><u>Nature of Business</u> Information Supply Service</p> <p><u>Relationship with the Company</u></p> <ul style="list-style-type: none"> - The Company’s directors, i.e., Mr. Pattanapong Nuphan and Mr. Somkiat Charoenpinyong were also directors of BBTVNM - BBTV, the indirect major shareholder of the Company, indirectly held all shares of BBTVNM. 	<p><u>Website design and development fee</u> The Company hired BBTVNM to develop and upgrade the website.</p> <ul style="list-style-type: none"> - Administrative expenses - Trade payable 	0.10 0.03	0.11 0.009	<p>BBTVNM developed and maintained websites, with the service charge rate and payment conditions based on normal business practice.</p> <p><u>Comments of the Audit Committee</u> Website development and maintenance was another channel to access the direct targeted clients. The service charge rate and payment conditions were based on normal business practice. Thus, the transaction was necessary and justified.</p>

Persons with possible conflicts of interests/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2017	2018	
<p>Media Studio Co., Ltd.</p> <p><u>Nature of Business</u></p> <p>Production of news, entertainment programs, knowledge and entertainment programs and dramas broadcast on Channel 7.</p> <p><u>Relation with the Company</u></p> <p>The Company's directors, i.e., Mr. Sansrit Yenbarnung and Dr. Yaowalak Poolthong were also directors of Media Studio Co., Ltd.</p>	<p><u>Co-production</u></p> <p>Advisor fee</p> <ul style="list-style-type: none"> - Administrative expenses - Trade payables 	0.15 0.15	- -	<p>The Company sought advice from Media Studio Co., Ltd. This was the Company's core operation with the service rate being calculated from cost plus profit and service rates and payments being set in accordance with normal business operation.</p> <p><u>Comments of the Audit Committee</u></p> <p>The co-production service was the Company's core business. The service rate was calculated based on cost and profit and the payment conditions were set according with normal business practice. Hence, the transaction was necessary and justified.</p>
<p><u>Rented equipment</u></p> <p>The Company's subsidiary Gear Head Co., Ltd (GH) provided rental equipment for the programs 'Scoop' and 'The Cover'</p> <ul style="list-style-type: none"> - Revenue from rental fee and services 		0.03	0.06	<p>Media Studio Co., Ltd. used GH's rental services for filming its programs. This was the Company's core operation with the service rate being calculated from cost plus profit and payment conditions were determined in accordance with normal business operation practice.</p> <p><u>Comments of the Audit Committee</u></p> <p>The transaction was a core business transaction of the Company. The service rate was calculated based on cost plus profit. The payment conditions were based on normal business practice. Thus, the transaction was necessary and justified.</p>

Persons with possible conflicts of interests/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2017	2018	
Media Studio Co., Ltd.	<u>Provided studio rental for TV program filming</u> The Studio Park (Thailand), the Company's subsidiary, provided studio rental services for TV program filming.			Media Studio Co., Ltd. used the Studio Park (Thailand)'s space rental services for filming its TV programs. This was the Company's core operation with the service rate being calculated from cost plus profit and service rates and payments conditions were set in accordance with normal business operation practice.
	- Revenue from rental fee and services	-	0.64	
				<u>Comments of the Audit Committee</u> This transaction was the Company's core operation and the service rate was calculated from cost plus profit and service rates and payments conditions were set in accordance with normal business operation practice. Thus, the transaction was necessary and justified.

Persons with possible conflicts of interests/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2017	2018	
<p>HR Pro and Service Security Co. Ltd. (“HRP”)</p> <p><u>Nature of Business</u></p> <p>Human Resource Services</p> <p><u>Relation with the Company</u></p> <p>The Company’s directors, Mr. Sansrit Yenbamrung and Dr. Yaowalak Poolthong were also directors of HRP and Mr. Poomchai Wacharapong was also advisor to HRP.</p>	<p><u>Security service fee</u></p> <p>The Company received the service from HRP who supplied security officers for the Company.</p> <ul style="list-style-type: none"> - Administrative Expenses - Accrued expense (security service fee) 	<p>1.33</p> <p>0.11</p>	<p>1.33</p> <p>0.11</p>	<p>HRP supplied security officers for the Company, with the service rate and payment conditions being set based on the market rate for normal business practice. Thus, the transaction was necessary and justified.</p> <p><u>Comments of the Audit Committee</u></p> <p>The Company hired outsourced security officers from HRP, instead of recruiting the security officers by itself. This helped to facilitate the Company’s internal management. The service rate and payment conditions were set based on normal business practices. Hence, the transaction was necessary and justified</p>
	<p><u>Security service fee</u></p> <p>The Studio Park (Thailand) received the service from HRP who supplied security officers.</p> <ul style="list-style-type: none"> - Cost of service - Administrative expenses - Accrued expenses (Security service fee) 	<p>0.09</p> <p>1.48</p> <p>0.17</p>	<p>-</p> <p>2.57</p> <p>0.22</p>	<p>HRP supplied security officers for the Studio Park (Thailand), Co. Ltd., with the service rate and payment conditions being set based on the market rate for normal business practice. Thus, the transaction was necessary and justified.</p> <p><u>Comments of the Audit Committee</u></p> <p>The Company hired outsourced security officers from HRP, instead of recruiting the security officers by itself. This helped to facilitate the Company’s internal management. The service rate and payment conditions were set based on normal business practices. Hence, the transaction was necessary and justified.</p>

Persons with possible conflicts of interests/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2017	2018	
<p>Media Scene Co., Ltd.</p> <p><u>Nature of Business</u></p> <p>TV content production and sell advertising timeslots</p> <p><u>Relation with the Company</u></p> <p>Media Studio Co. Ltd held 100% share in Media Scene.</p> <p>The Company's director, i.e., Dr. Yaowalak Poolthong was also a director in Media Scene Co., Ltd.</p>	<p><u>Revenue from scene props</u></p> <p>- Revenue from scene prop rental</p>	0.003	-	<p>Media Scene Co. Ltd. used the Company's prop rental services.</p> <p><u>Comments of the Audit Committee</u></p> <p>This transaction was the Company's core operation and the service rate was calculated from cost plus profit and service rates and payments conditions were set in accordance with normal business operation practice. Thus, the transaction was necessary and justified.</p>
	<p><u>Rented equipment for production of featured films and commercials</u></p> <p>The Company's subsidiary GH rented out filming equipment.</p> <p>- Revenue from rental and services</p> <p>- receivables</p>	1.30 0.12	1.63 0.06	<p>Media Scene Co. Ltd. used the GH's equipment rental services for its drama production.</p> <p><u>Comments of the Audit Committee</u></p> <p>This transaction was the Company's core operation and the service rate was calculated from cost plus profit and service rates and payments conditions were set in accordance with normal business operation practice. Thus, the transaction was necessary and justified.</p>

Persons with possible conflicts of interests/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2017	2018	
Media Scene Co., Ltd.	Provide studio rental service The Studio Park (Thailand) Co., Ltd. (TSP), which is the Company's subsidiary, provided studio rental services. - Revenue from rental fee and services	0.06	0.20	Media Scene Co. Ltd. used the Studio Park (Thailand)'s studio rental services for its drama production. <u>Comments of the Audit Committee</u> This transaction was the Company's core operation and the service rate was calculated from cost plus profit and service rates and payments conditions were set in accordance with normal business operation practice. Thus, the transaction was necessary and justified.
Grand Lanluang Co., Ltd.	Conference and catering service fee - Administrative expenses	0.11	0.09	The Company used conference facility including catering service for our AGM. <u>Comments of the Audit Committee</u> This transaction supported the Company's core operation. The service rate was calculated from cost plus profit and service rates and payments conditions were set in accordance with normal business operation practice. Thus, the transaction was necessary and justified.
<u>Nature of Business</u> Hotel, Resorts and Condominium <u>Relation with the Company</u> The Company's directors, i.e., Mr. Sansrit Yenbarnung, Mr. Poomchai Wacharapong and Mr. Nuttawit Boonyawat were also directors of Grand Lanluang Co., Ltd.				

Persons with possible conflicts of interests/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2017	2018	
Mrs. Siripen Sasinmanop Relationship with the Company - The spouse of Mr. Thanitsaphong Sasinmanop, Senior Executive Vice President	<u>Leased a building</u> GH (a subsidiary) leased a three-storey town house No. 173/13-14 Soi Paholyothin 44, to use as its office. The lease contract lasted one year. - Administrative Expenses (Building lease expense)	0.70	0.43	GH leased the property from Mrs. Siripen Sasinmanop to use as its office. The lease rate was appropriate when compared to the rates for leased property nearby. The payment conditions were set in accordance with the normal business practice, similar to the conditions set for external parties. Hence, the transaction was necessary and justified.
				<u>Comments of the Audit Committee</u> The transaction supported the Company's operation. The lease rate and the payment conditions were similar to what made with third parties. Hence, the transaction was necessary and justified.
	<u>Leased land</u> GH (subsidiary) leased the 405 square wah land, deed title No. 39485 and 39488 to use as a car park and an equipment warehouse. The lease contract lasted one year. - Administrative Expenses (Landlease expenses)	0.38	0.23	GH leased the land from Mrs. Siripen Sasinmanop to use as a car park and an equipment warehouse. The rental rate was appropriate when compared to the rates for leased property nearby. The payment conditions were set in accordance with the normal business practice, similar to the conditions set for outsiders. Hence, the transaction was necessary and justified.
				<u>Comments of the Audit Committee</u> The transaction supported the Company's operation. The lease rate and the payment conditions were similar to what made with third parties. Hence, the transaction was necessary and justified.

1. Necessity and justification of connected transactions

Reviewing the connected transactions done in 2017 and 2018, the Audit Committee opined that the connected transactions were necessary, justified and beneficial to the Company.

2. Measure or procedures to approve the connected transactions

The connected transactions were done based on the reasons and necessities where the benefits of the company were taken into account. The values of transactions arising from the transactions were fair and in compliance with a general trade agreement and the regulations of the Stock Exchange of Thailand or the Securities and Exchange Commission of Thailand. In case there is a connected transaction between the Company or its subsidiaries and persons who have or may have a potential conflict of interest (when the Management sees that the connected transaction is necessary but it is beyond the scope of responsibilities of the Management), the Company will assign the Audit Committee to provide opinions on necessity and appropriateness of such transaction. If the Audit Committee has no expertise in considering potential connected transactions that may arise, the Company will seek opinions from independent experts or the Company's auditor. Such independent opinions will be used as part of a decision making process of the Board of Directors and/or shareholders, whichever the case may be.

Moreover, the Company's Board of Directors approved in principles of the trade agreements that included general trading conditions for connected transactions between the Company and its subsidiaries and the Management and involved individuals. The management was approve the connected transactions between the Company and its subsidiaries and/or the Management or involved individuals (for both existing and potential transactions), without an approval from the Company's Board of Director Meeting or the Shareholders' Meeting. The connected transactions, which are in forms of trade agreements similar to what responsible men agree with general trade partners in similar situations and without power as the Management, directors or involved individuals, must be reported to the Audit Committee and the Company's Board of Directors at least once a year.

After the Company involved in any connected transactions, it disclosed the information on such transactions as specified in the regulations of the Stock Exchange of Thailand. Such disclosed information was also reviewed by the Audit Committee. In addition, the Company also disclosed the connected transactions in the note to the financial statement which was reviewed by the Company's Authorized Auditor.

3. Future Policy or Trend of Connected Transactions

The Company has policies to carry out connected transactions between the Company and its subsidiaries as normal business transactions supporting the Company's business. All conditions are set in accordance with normal trading transactions and can be comparable with what agreed with outsiders. The Audit Committee or the Company's auditor or independent experts examine and provide their opinions in regard to the appropriateness of pricing and the justification of the connected transactions. For any potential connected transactions, the Board of Directors have to comply with the rules and regulations imposed by the Stock Exchange of Thailand, as well as 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.

Key financial ratios

Financial ratios	Audited financial statement			
	Unit	2016	2017	2018
Liquidity ratios				
Liquidity ratios	Time	2.91	2.36	2.38
Quick ratio	Time	2.54	1.68	1.88
Cash ratio	Time	0.43	(0.10)	0.59
Receivable turnover	Time	3.09	3.35	3.17
Average collection period	Day	116.41	107.48	113.62
Inventory turnover	Time	29.18	31.67	30.22
Average holding period	Day	12.34	11.37	11.91
Account Payable turnover	Time	4.63	4.99	9.29
Payment period	Day	77.81	72.14	38.73
Cash cycle	Day	50.94	46.71	86.81
Profitability ratio				
Gross Profit Margin	%	27.40	23.36	27.50
Operating Profit Margin	%	(14.32)	(15.69)	(10.21)
Net Profit Margin	%	(14.34)	(16.89)	(7.60)
Return on Equity	%	(5.07)	(5.19)	(2.48)
Efficiency Ratio				
Return on Assets	%	(4.08)	(4.23)	(2.19)
Return on Fixed Assets ^{/1}	%	(5.84)	(3.66)	0.17
Total Assets Turnover	Time	0.28	0.25	0.29
Leverage Ratio or Financial Ratio				
Debt/Equity Ratio	Time	0.32	0.14	0.12
Interest Coverage Ratio ^{/2}	Time	12.08	0.90	8.98
Cash basis ^{/3}	Time	0.12	(0.01)	0.57

Notes ^{/1} Return on Fixed Assets does not include assets for leases

^{/2} Interest Coverage Ratio = Operating cash flow + interest expenses from operating+ tax/ interest expenses from operating and investing

^{/3} Cash basis = Operating cash flows / (loan repayment+capital expenditure+ asset acquisition+dividend payment)

Discussion and analysis of financial position and operation performance

Overall operating performance in the past year

The Thai GDP in 2018 expanded by 4.1%, up slightly from 4.0% in 2017. According to the advertising spending surveyed by Nielsen Media Research, the advertising spending through all media channels for the entire advertising industry in 2018 amounted to 105,455 million baht, increasing by 3,971 million baht or 3.91% from the figure reported for 2017. The advertising spending through TV media still stood the highest at almost 67,935 million baht, increasing by over 5,601 million baht or up by 8.05 because consumers tend to be more interested in the online media. Meanwhile, the competition in the digital TV segment became more intense in terms of content. They had to compete to make their content more interesting and varied in order to attract eyeballs and ace viewers, which will in turn increase the change of selling advertising time and thus generate larger advertising revenue from product/brand/service owners. Meanwhile, most operators remained very cautious about spending in order to ensure that their ad spending would yield maximum benefits; meanwhile, some operators cut ad budget. This trend had negative impact on the Company's media and content production related businesses.

Meanwhile, the government provided tax privileges for foreign production crew, which came to film in Thailand; consequently, more foreign crew became more interested in filming in 2018. Hence, the revenue from this segment increased in 2018 to 3,139.3 million baht from 3,074.1 million baht in 2017. This benefited the equipment rental and services and well as studio rental service businesses.

Results of Operations

The Company's core businesses in 2018 were equipment rental and service business, studio rental and service business, TV program production business and post production business. In the 2018 consolidated financial statement, the Company booked total core revenue of 488.00 million baht, up by 39.59 million baht or 8.83% YoY versus 448.41 million baht booked in 2017. The parent Company reported a loss of Baht 38.74 million baht in 2018, representing a smaller loss of 38.39 million baht from the loss of 77.13 million in 2017 or smaller by 49.77% YoY. The details are as follows:

Revenue Breakdown by Business

Business	2016		2017		2018	
	Million baht	%	Million baht	%	Million baht	%
1. Revenue from equipment rental and services	355.58	76.81%	351.00	76.93%	366.52	71.79%
2. Revenue from studio rental and services	-	-	12.17	2.67%	51.69	10.12%
3. Revenue from TV program production	81.69	17.65%	58.45	12.81%	44.13	8.64%
4. Revenue from post production business	12.47	2.69%	22.43	4.92%	20.56	4.03%
5. Revenue from commercials production	2.43	0.53%	-	-	-	-
6. Revenue from product sales	4.50	0.97%	4.36	0.95%	5.10	1.00%
Revenue from core business	456.67	98.65%	448.41	98.28%	488.00	95.58%
Other revenue	6.24	1.35%	7.84	1.72%	22.56	4.42%
Total revenue	462.91	100.00%	456.25	100.00%	510.56	100.00%

Equipment rental and services

The revenue from equipment rental and services business was generated by the services provided for both local and international production crew of feature films as well as commercials. This business segment was operated under the brand “Gear Head”. In addition, the Company also provided equipment rental and services for producers of TV programs and dramas, under the brand “Handy Gear”. The Company also provided service for commercial production crew with limited budget under the brand “Foot Gear”. In 2018, the Company booked total revenue from this business amounting to 366.52 million baht, accounting for 71.79% of the total revenue and the 2018 revenue from this business increased by 15.52 million baht or 4.42% YoY versus 351.00 million baht booked for 2017.

Studio rental and service business

This business was operated under the “The Studio Park” project, which was launched on mid-2017. In 2018, the project served major clients, who were foreign film production crew renting both indoor and outdoor areas, as well as local clients, which used our studio facility for their production of commercials, and TV drama crew. Hence, in 2018, this business generated revenue of 51.69 million bath, accounting for 10.12 of the total revenue.

TV program production

The Company’s revenue from TV program production in 2018 amounted to 44.13 million, declining by 14.32 million baht or a contraction of 24.50% YoY versus 58.45 million baht booked in 2017. The 2018 revenue from this business accounted for 8.64% of the total revenue. The decline was due to the drop in advertising spending from product owners amid the economic slowdown in the country. Also, the competition in terms of content was higher and a number of new programs were presented to beat the existing ones. In addition, some ad spending shares were also allocated to a broader base of other media channels.

Post production business

The post production business in 2018 generated revenue at 20.56 million baht, down by 1.87 million baht or -8.34% YoY versus 22.43 million baht realized in 2017. The revenue from this segment accounted for 4.08% of the total revenue.

Other income

In 2018, the Company booked other income amounting to 22.56 million baht, accounting for 4.42% of the total revenue. This consisted of a gain from sale of property for investment, a gain from sale of equipment and intangible assets, interest income and other income.

Costs of sales and services

In 2018, the Company and subsidiaries’ cost of sales and services stood at 353.82 million baht, increasing by 10.17 million baht or 2.96% YoY versus 343.65 million baht booked in 2017. The gross profit margin for 2018 stood at 27.50% versus 23.36% in 2017.

Gross Profit Margin

Cost structure and gross profit margin	2016		2017		2018	
	Million baht	%	Million baht	%	Million baht	%
Revenue from core businesses	456.67	100.00	448.41	100.00	488.00	100.00
Cost of sales and services	331.52	72.60	343.65	76.64	353.82	72.50
Gross Profit Margin	125.15	27.40	104.76	23.36	134.18	27.50

Selling General and Administration (SG&A) and other Expenses

SG&A and other expenses	2016		2017		2018	
	Million baht	%	Million baht	%	Million baht	%
Selling expense	13.75	7.48	15.18	8.68	20.65	11.41
Administration expenses	167.69	91.18	159.62	91.32	160.37	88.59
Other expenses	2.46	1.34	-	-	-	-
Total	183.90	100.00	174.80	100.00	181.02	100.00
Percentage of SG&A expenses to sales		40.27		38.98		37.09

In 2018, the Company and its subsidiaries booked SG&A and other expenses amounting to 181.02 million baht, up by 6.22 million baht or 3.56% YoY versus 174.80 million baht seen in 2017.

In addition, the Company also realized a loss contribution from a joint venture amounting to 2.99 million baht. Meanwhile, the financial cost dropped to 7.42 million baht, down by 5.46 million baht or 42.39% YoY.

Net profit

In 2018, the parent company booked a net loss of 38.74 million baht, representing a smaller loss of 38.39 million baht or 49.77% YoY versus the net loss of 77.13 million baht that the parent company booked in 2017.

Analysis of financial position for 2018 and 2017**Assets**

As of December 31, 2018, the total assets decreased by 72.40 million baht to 1,737.41 million baht, equivalent to a decrease of 4.00% from 1,809.81 million baht booked in 2017.

The total assets consisted of current assets amounting to 193.35 million baht and non-current assets amounting to 1,544.06 million baht, accounting for 11.13% and 88.87% of the total assets, respectively. The key details are as follows:

- Cash and cash equivalent amounted to 21.20 million baht.
- Net account receivables and other receivables amounted to 131.44 million baht, down by 14.81 million baht or an acceleration of 12.70% compared to 2017. Most receivables were undue receivables and the unpaid amount did not exceed three months, which was according to a normal credit term for general clients.
- Net land, building and equipment amounted to 1,251.45 million baht, down by 30.69 million baht or 2.39%. The net assets for lease were at 281.63 million baht, down by 25.79 million baht or 8.39 % due to the depreciation and the sale of assets for investment.

Liabilities

As of December 31, 2018, the Company saw total liabilities of 190.90 million baht, consisting of current liabilities of 81.19 million baht and non-current liabilities amounting 109.71 million baht. The total liabilities in 2018 declined by 33.62 million baht or down by 14.97 % from the total liabilities of 224.52 million baht in 2017 because:

- The employee obligation declined by 6.22 million baht due to the benefits paid to retired employees.
- The Company repaid long-term loans of 28.79 million to financial institutions and repaid loans under financial lease of 4.24 million baht. Hence, The Company's D/E ratio stood at 0.12 times, down from 10.14 times seen in 2017.

Interest bearing debts

Details	2016		2017		2018	
	Million baht	%	Million baht	%	Million baht	%
Interest bearing debts:- :-						
- Overdrafts	-	-	1.96	1.37	-	-
- Long-term loans from financial institutions	287.45	95.05	129.93	90.97	101.14	93.79
- Loans under financial leases	14.96	4.95	10.94	7.66	6.70	6.21
Total interest bearing debts	302.42	100.00	142.83	100.00	107.84	100.00

Shareholders' equities

As of December 31, 2018, the shareholders' equities decreased by 38.78 million baht or 2.45% year-on-year to 1,546.51 million baht when compared to 2017. The Book Value Per Share as of December 31, 2018 stood at 1.98 baht.

Liquidity and capital adequacy

In 2018, the Company's cash from operating activities amounted to 48.55 million baht and the cash used for investment activities amounted to 15.11 million baht, most of which was used for purchases of rental assets. Finally, the cash used for funding activities amounted to 34.99 million baht, i.e., for loan repayment. Therefore, the Company's cash and cash equivalent as of the end of 2018 amounted to 21.20 million baht.

Items	2016	2017	2018
Net cash received from (used in) operating activities	54.60	(12.11)	48.55
Net cash received from (used in) investing activities	(531.25)	(237.29)	(15.11)
Net cash received from (used in) financing activities	423.97	114.67	(34.99)
Net increase (decrease) in cash and cash equivalents	(52.68)	(134.73)	(1.55)
Opening balance of cash and cash equivalents	210.16	157.48	22.75
Closing balance of cash and cash equivalents	157.48	22.75	21.20

Liquidity Ratio

In 2018, the Company's liquidity ratio stood at 2.38 times and the quick ratio was 1.88 times. The liquidity ratios remained sound as the current assets still exceeded the current liabilities.

Capital Structure

Items	Unit	2016	2017	2018
Total assets	mn baht	448.47	224.52	190.90
Interest bearing debts	mn baht	302.42	142.83	107.84
Shareholder's equity	mn baht	1,387.62	1,585.29	1546.51
Interest bearing debt to equity ratio	time	0.22	0.09	0.07
Debt to equity ratio	time	0.32	0.14	0.12

As of December 31, 2018, the Company's paid-up capital amounted to 781.63 million baht and the premium on shares was valued at 906.21 million baht. The liabilities totaled 190.90 million baht, with interest bearing debts amounting to Baht 107.84 million, down by 24.50% from the figure in 2017.

Off- balance Sheet Obligations

As of December 31, 2018, the Company and its subsidiaries had off-balance sheet obligations mostly from core business operation, such as long-term leases for land and premises signed with third parties, the obligation for capital expenses, and the guarantee obligations. All aforementioned obligations were already disclosed in Item 30 of the note to financial statement for fiscal year 2018.

Factors impacting the Company's future performance

The Thai economy in 2019 is still expected to expand well, driven by several positive factors including the general election, the investment in major state infrastructure projects, e.g., the double-track rail project, the development of EEC and continued measures to boost economy from the state sector in a bid to boost confidence to the private sector and attract foreign investors to invest in Thailand. These are expected to help boost domestic economy, which will be positive to utilization of all media channels.

Regarding the outlook for 2019, the Company remains committed to boosting the organization's competency by enhancing personnel's knowledge, capability and expertise. The Company will always broaden our vision to keep up with the dynamic technologies related to the advertising media and TV program production industry. The Company is also committed to ensuring that our media products are creative and interesting enough to attract consumers whose media-access behavior is changing rapidly alongside the changing technology. This commitment is aimed at boosting our revenue as well as rating. Meanwhile, as a provider of equipment rental and services and rental studio services, the Company will continue to focus on our efficiency in providing services to satisfy and thus maintain the existing client base while expanding to a new client base. Finally, the Company will make every effort to build good reputation of our "The Studio Park" project to gain acceptance by film producers, makers of all types of media both internally and internationally.



Report of the responsibility of the Board of Directors for financial reports

The Board of Directors holds responsibility for the Company and its subsidiaries' financial reports (already audited by the auditor) as well as all disclosed financial information. The Board of Directors realizes the importance of the accuracy and reliability of such financial reports and information. Hence, the Board of Directors has a policy to complete a report on the responsibility of the Board of Directors in regard to the financial reports and financial information disclosed in the Company's annual report. The financial statement is regularly prepared to conform to the generally accepted accounting standards. In preparing such financial reports, appropriate accounting policies are selected and consistently applied while judgment and forecast are carefully and best used. Moreover, the significant information shall be adequately disclosed in the notes to financial statement covering the guideline for SET-listed companies announced by the Stock Exchange of Thailand.

Moreover, the Audit Committee appointed by the Board of Directors is responsible for overseeing the quality of Company's financial reports, the internal control system and the internal audit system. Comments from the Audit Committee are reported in the 56-1 Form. All members of the Audit Committee and the management attend meetings in order to review the adequacy of the Company's internal control system in various areas, set by the Company's management. The minutes of every Board of Directors' meeting are recorded and contain proper details, allowing the shareholders to examine the appropriateness of the directors in performing their duties, such as questions and opinions from each director for each agenda and opposition opinions along with the rationales behind such opinions. Meanwhile, the Board of Directors continuously and firmly focuses on applying the good corporate governance policies to the management and the Company's operation to create trust and a good image in the view of investors and the public.

The Company's Board of directors opined that the Company's overall internal control system was sufficient and appropriate. In addition, the board can also ensure the trust with good rational that the Company and the subsidiaries' financial reports for the fiscal year ending December 31, 2018 were accurate and complied with the key message of the financial reporting standard.

(Mr. Sansrit Yenbamrung)

Chairman of the Board of Directors



Independent Auditor's Report

To the shareholders of Matching Maximize Solution Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Matching Maximize Solution Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Impairment of investments. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p><i>Impairment of investments</i></p> <p>Refer to notes to the separate financial statements : note 11 Investments in subsidiaries and note 12 Investment in joint venture.</p> <p>The Company has invested in seven subsidiaries with a total investment cost of Baht 1,000.20 million. It has also invested in one joint venture with a total investment cost of Baht 5.20 million. During 2018, the Company recognised loss from the impairment of investment in joint venture, which are included in the comprehensive income of Baht 3.31 million. As at 31 December 2018, there was a provision for impairment of investments in joint venture of Baht 3.31 million.</p> <p>During 2018, there was no impairment of investment in subsidiaries.</p> <p>I focused on this area because the carrying value of investments is material to the financial statements and the provision for impairment of investments based on management's judgement such as revenue, revenue growth and profit margin.</p>	<p>I tested the impairment of investments to evaluate whether the provision for impairment of investment in subsidiaries and joint venture was appropriate by the following procedures ;</p> <ul style="list-style-type: none"> • evaluating the operations and financial positions of all subsidiaries and joint venture for the year ended 31 December 2018, • considering the historical performance of each subsidiaries and joint venture, • understanding and evaluating the process of the cash flow forecasts preparation, including test key assumptions used in the cash flow forecasts such as revenue, revenue growth and profit margin. • inquiring with management for reasonableness of impairment of investment, and • reviewing the minutes of shareholders' meetings regarding the approval of resolutions to liquidate the subsidiaries. <p>In addition, I also tested supporting evidence and tested the mathematical accuracy of the impairment of investments.</p> <p>From the procedures performed above, I found the assumptions made by management in impairment assessment to be reasonable based on the available evidence.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



Sa-nga Chokenitisawat

Certified Public Accountant (Thailand) No. 11251

Bangkok

22 February 2019

Statements of Financial Position

Matching Maximize Solution Public Company Limited
As at 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	21,204,295	22,752,388	11,054,175	12,289,745
Short-term investments	8	-	47,252	-	-
Trade and other receivables, net	9	131,438,949	116,628,515	13,441,232	16,251,354
Short-term loans to subsidiaries	31.4	-	-	527,500,000	546,000,000
Inventories	10	12,591,219	10,828,703	1,190,444	1,165,901
VAT refund		8,045,424	22,221,911	-	-
Withholding tax deducted at sources, net		19,546,502	22,624,056	2,698,316	4,045,796
Other current assets		521,970	791,025	52,851	190,756
Total current assets		193,348,359	195,893,850	555,937,018	579,943,552
Non-current assets					
Investments in subsidiaries, net	11	-	-	974,825,042	974,302,562
Investment in joint venture	12	1,884,755	4,872,189	1,884,755	5,199,563
Investment properties, net	13	-	10,249,564	-	-
Property, plant and equipment, net	14	1,251,453,281	1,282,139,186	33,599,805	41,039,564
Assets for rent, net	15	281,626,140	307,419,665	-	-
Intangible assets, net	16	3,652,089	4,002,924	318,324	336,059
Deferred tax assets, net	17	3,828,075	3,533,405	3,730,595	3,397,822
Other non-current assets		1,613,438	1,695,238	245,420	245,420
Total non-current assets		1,544,057,778	1,613,912,171	1,014,603,941	1,024,520,990
Total assets		1,737,406,137	1,809,806,021	1,570,540,959	1,604,464,542



Statements of Financial Position (Cont'd)

Matching Maximize Solution Public Company Limited
As at 31 December 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts		-	1,961,902	-	-
Trade and other payables	18	40,154,338	35,981,368	4,559,709	7,112,476
Short-term borrowing from subsidiary	31.5	-	-	7,000,000	7,000,000
Current portion of long-term bank borrowing, net	20 (a)	23,450,000	28,790,000	-	-
Current portion of liability under finance lease, net	20 (b)	3,830,268	4,230,055	-	626,860
Other current liabilities	19	13,755,960	11,894,746	1,497,497	1,891,534
Total current liabilities		81,190,566	82,858,071	13,057,206	16,630,870
Non-current liabilities					
Long-term borrowing from bank, net	20 (a)	77,690,000	101,140,000	-	-
Liability under finance lease, net	20 (b)	2,868,295	6,708,652	-	-
Deferred tax liabilities, net	17	2,542,146	693,928	-	-
Employee benefit obligations	21	26,459,737	32,675,730	16,022,811	14,176,373
Deferred income from sales and leaseback, net		148,672	442,977	-	-
Total non-current liabilities		109,708,850	141,661,287	16,022,811	14,176,373
Total liabilities		190,899,416	224,519,358	29,080,017	30,807,243

Statements of Financial Position (Cont'd)

Matching Maximize Solution Public Company Limited
As at 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
Ordinary shares, 781.63 million shares					
at par value of Baht 1 each	22	781,629,851	781,629,851	781,629,851	781,629,851
Issued and paid-up share capital					
Ordinary shares, 781.63 million shares					
paid-up of Baht 1 each	22	781,628,733	781,628,733	781,628,733	781,628,733
Share premium	22	906,214,683	906,214,683	906,214,683	906,214,683
Retained earnings					
Appropriated - legal reserve	23	10,658,657	10,658,657	10,658,657	10,658,657
Unappropriated		(152,023,243)	(113,280,517)	(157,041,131)	(124,844,774)
Equity attributable to owners of the parent		1,546,478,830	1,585,221,556	1,541,460,942	1,573,657,299
Non-controlling interests		27,891	65,107	-	-
Total equity		1,546,506,721	1,585,286,663	1,541,460,942	1,573,657,299
Total liabilities and equity		1,737,406,137	1,809,806,021	1,570,540,959	1,604,464,542



Statements of Comprehensive Income

Matching Maximize Solution Public Company Limited
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Revenue					
Services income		482,900,245	444,050,041	44,287,676	58,546,711
Sales		5,101,729	4,360,479	-	-
Total revenue		488,001,974	448,410,520	44,287,676	58,546,711
Cost of sales and services					
Cost of services		(351,293,390)	(341,211,896)	(36,057,446)	(47,223,981)
Cost of sales		(2,524,176)	(2,442,363)	-	-
Total cost of sales and services		(353,817,566)	(343,654,259)	(36,057,446)	(47,223,981)
Gross profit		134,184,408	104,756,261	8,230,230	11,322,730
Other income	24	22,562,387	7,836,720	35,964,252	26,171,562
Selling expenses		(20,650,997)	(15,175,458)	(2,049,612)	(1,930,680)
Administrative expenses		(160,372,238)	(159,622,252)	(70,880,411)	(80,482,307)
Other expenses	27	-	(2,664)	(3,314,808)	(4,974,561)
Finance costs	25	(7,419,639)	(12,876,589)	(478,781)	(106,571)
Share of loss on investment in joint venture	12	(2,987,434)	(327,374)	-	-
Net loss before income tax		(34,683,513)	(75,411,356)	(32,529,130)	(49,999,827)
Income tax expense (tax income)	28	(4,096,429)	(1,669,685)	332,773	179,989
Net loss for the year		(38,779,942)	(77,081,041)	(32,196,357)	(49,819,838)

Statements of Comprehensive Income (Cont'd)

Matching Maximize Solution Public Company Limited
For the year ended 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Other comprehensive income (loss):					
Item that will not be reclassified to profit or loss:					
Remeasurement of post-employment benefit obligations		-	610,574	-	(448,912)
Income tax on items that will not be reclassified	17	-	(122,115)	-	89,782
Other comprehensive income (loss) for the year, net of tax		-	488,459	-	(359,130)
Total comprehensive loss for the year		(38,779,942)	(76,592,582)	(32,196,357)	(50,178,968)
Income (loss) attributable to:					
Owners of the parent		(38,742,726)	(77,134,344)	(32,196,357)	(49,819,838)
Non-controlling interest		(37,216)	53,303	-	-
		(38,779,942)	(77,081,041)	(32,196,357)	(49,819,838)
Total comprehensive income (loss) attributable to:					
Owners of the parent		(38,742,726)	(76,683,755)	(32,196,357)	(50,178,968)
Non-controlling interest		(37,216)	91,173	-	-
		(38,779,942)	(76,592,582)	(32,196,357)	(50,178,968)
Loss per share	29				
Basic loss per share (Baht)		(0.05)	(0.11)	(0.04)	(0.07)

Statement of changes in Equity

Matching Maximize Solution Public Company Limited
For the year ended 31 December 2018

Consolidated financial statement									
Attributable to owners of the parent									
Retained earnings									
Total owners of the parent									
Non-controlling interests									
Total equity									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									
Baht									

Statement of changes in Equity (Cont'd)

Matching Maximize Solution Public Company Limited
For the year ended 31 December 2018

	Note	Separate financial statement					
		Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated	Total equity
				Appropriated - Legal reserve	Baht		
Balance as at 1 January 2017		644,028,952	769,560,520	10,658,657	(74,665,806)	1,349,582,323	
Changes in equity for the year 2017							
Shares issuance	22	137,599,781	136,654,163	-	-	274,253,944	
Total comprehensive loss for the year		-	-	-	(50,178,968)	(50,178,968)	
Closing balance as at 31 December 2017		781,628,733	906,214,683	10,658,657	(124,844,774)	1,573,657,299	
Changes in equity for the year 2018							
Total comprehensive loss for the year		-	-	-	(32,196,357)	(32,196,357)	
Closing balance as at 31 December 2018		781,628,733	906,214,683	10,658,657	(157,041,131)	1,541,460,942	



Statements of Cash Flows

Matching Maximize Solution Public Company Limited
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Net loss before income tax		(34,683,513)	(75,411,356)	(32,529,130)	(49,999,827)
Adjustments for:					
(Reversal) Bad debt and allowance for doubtful accounts		6,428,573	3,002,502	(157,223)	(431,478)
Depreciation and amortisation	26	103,190,073	97,239,814	6,645,447	8,465,650
Employee benefit expenses	21	4,096,707	2,515,366	2,055,438	1,331,420
(Reversal) Allowance for doubtful of loan to subsidiary	31.4	-	-	-	(6,250,000)
(Reversal) Allowance for impairment of investments in subsidiaries	24	-	-	(2,941,329)	4,974,174
Allowance for impairment of investments in joint venture	12	-	-	3,314,808	-
Write-off of VAT		7,000	76,234	-	-
Write-off of withholding tax deducted at source		285,801	139,809	3,870	3,717
(Reversal) Provision for decrease in value of withholding tax deducted at sources		(166,721)	(456,608)	28,643	(456,608)
Share of loss of investments in joint venture	12	2,987,434	327,374	-	-
(Gain) from disposal of equipment		(1,836,585)	(131,356)	(1,843,474)	-
(Gain) from disposal of assets for rent		(1,476,039)	(413,348)	-	-
(Gain) from disposal of investment properties		(17,800,436)	-	-	-
Realised deferred (income) from sale and lease back		(294,305)	(294,306)	-	-
Loss from write-off of equipment		111,454	512,702	26,943	387
Loss from write-off of assets for rent		402,963	224,664	-	-
Loss from write-off intangible assets	16	10	4,407	10	-
(Gain) from insurance compensation for assets for rent	24	-	(50,060)	-	-
(Reversal) Provision for impairment of assets	14	-	(533,504)	-	-
Interest income	24	(113,063)	(2,326,595)	(31,021,058)	(19,909,144)
Finance costs	25	7,419,639	12,876,589	478,781	106,571

Statements of Cash Flows (Cont'd)

Matching Maximize Solution Public Company Limited
For the year ended 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flow before change in operating assets and liabilities		68,558,992	37,302,328	(55,938,274)	(62,165,138)
Change in operating assets and liabilities:					
- Trade and other receivables		(21,614,007)	(19,519,860)	3,568,023	(3,862,819)
- Inventories		(1,762,516)	45,023	(24,543)	631,928
- VAT receivable		14,169,487	1,406,911	-	-
- Other current assets		269,055	2,356,045	137,905	4,735
- Other non-current assets		81,800	406,092	-	-
- Trade and other payables		4,243,402	(22,065,281)	(2,584,189)	13,733
- Other current liabilities		1,861,214	(907,624)	(394,037)	(468,161)
- Employee benefit obligations	21	(10,312,700)	-	(209,000)	-
Cash flows from operating activities		55,494,727	(976,366)	(55,444,115)	(65,845,722)
Interest received		113,063	2,793,254	66,209	2,463,882
Interest paid		(7,471,507)	(12,428,014)	(478,781)	(106,571)
Withholding tax refunded		11,508,731	9,373,569	2,707,826	3,635,169
Income tax paid		(11,093,138)	(10,868,858)	(1,392,859)	(1,605,270)
Net cash generated from (used in) operating activities		48,551,876	(12,106,415)	(54,541,720)	(61,458,512)
Cash flows from investing activities					
Cash received from restricted deposit at bank		-	1,729,271	-	1,729,271
Cash received from short-term investments		47,252	150,290,104	-	150,290,104
Cash payment for short-term loans to subsidiaries	31.4	-	-	(24,500,000)	(421,000,000)
Cash received from short-term loans to subsidiaries	31.4	-	-	43,000,000	13,250,000
Cash payment for investment in subsidiaries	11	-	-	(1,000,000)	(5,000,000)
Cash received from capital return from subsidiaries	11	-	-	3,000,000	8,450,000
Cash received from dissolution of a subsidiaries		-	-	418,849	-
Cash payment for investment in joint venture	12	-	-	-	(5,199,563)
Cash payment for purchases of assets		(15,221,390)	(338,490,523)	(201,506)	(231,868)
Cash payment for purchases of assets for rent		(35,599,406)	(51,898,223)	-	-
Cash payment for purchases of intangible assets		(1,073,716)	(1,174,615)	(86,350)	-
Proceeds from disposal of equipment		3,329,810	642,416	2,947,846	-
Proceeds from disposal of assets for rent		5,359,527	1,564,882	-	-
Cash received from insurance compensation for assets for rent		-	50,060	-	-
Proceeds from disposal of investment properties		28,050,000	-	-	-
Interest received from short-term loans to subsidiaries		-	-	30,354,171	17,913,221
Net cash generated from (used in) investing activities		(15,107,923)	(237,286,628)	53,933,010	(239,798,835)



Statements of Cash Flows (Cont'd)

Matching Maximize Solution Public Company Limited
For the year ended 31 December 2018

		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		(1,961,902)	1,961,902	-	-
Cash received from short-term borrowing					
from subsidiary	31.5	-	-	-	7,000,000
Cash received from long-term borrowing from bank	20 (a)	-	264,000,000	-	-
Repayments to long-term borrowing from bank	20 (a)	(28,790,000)	(421,524,000)	-	-
Repayments to liabilities under finance lease		(4,240,144)	(4,024,323)	(626,860)	(625,243)
Cash received from shares issuance	22	-	274,253,944	-	274,253,944
Net cash generated from (used in) financing activities		(34,992,046)	114,667,523	(626,860)	280,628,701
Net decrease in cash and cash equivalents					
Opening balance of cash and cash equivalents		22,752,388	157,477,908	12,289,745	32,918,391
Closing balance of cash and cash equivalents		21,204,295	22,752,388	11,054,175	12,289,745
Non-cash transactions					
Payable arising from purchases of assets		1,392,341	2,205,369	34,739	3,317
Payable arising from purchases of assets for rent		813,023	18,559	-	-
Receivable arising from disposal of equipment		-	375,000	-	-



Notes to the Consolidated and Separate Financial Statement

Matching Maximize Solution Public Company Limited
For the year ended 31 December 2018

1 General information

Matching Maximize Solution Public Company Limited, (the “Company”) is a public limited company which is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

Head office: located No. 305/12 Soi Sukhothai 6, Sukhothai Road, Dusit, Bangkok.

Branch: located No. 23/3 Moo 2 Nong Khang Phlu, Nong Khaem Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The Company and its subsidiaries (the Group) is principally engaged in the business of producing television programs and commercial, providing post production and edition of visual and audio effect of film services, providing film production equipment for rent and related services, selling of goods, providing services and renting of studio and production service and co-operation of movie film.

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 22 February 2019.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 Accounting policies (Cont'd)

An English language version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group.

TAS 7 (revised 2017)	Statement of cash Flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group except for disclosure.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017) Construction contracts

TAS 18 (revised 2017) Revenue

TSIC 31 (revised 2017) Revenue - Barter Transactions Involving Advertising Services

TFRIC 13 (revised 2017) Customer Loyalty Programmes

TFRIC 15 (revised 2017) Agreements for the Construction of Real Estate

TFRIC 18 (revised 2017) Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the five steps as follows:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements.
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact of initial adoption of this standard.

Mandatory for financial years commencing on or after 1 January 2019. The group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2019 and that comparatives will not be restated.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.2 Revised accounting standards and interpretation will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

TAS 28 (revised 2018) Investments in associates and joint ventures

TAS 40 (revised 2018) Investment Property

TFRIC 22 Foreign Currency Transactions and Advance Consideration

TAS 28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

The TFRIC 22 interpretation provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments, the exchange rate is to be used on the date when each non-monetary asset or liability is recognised.

The Group's management is currently assessing the impact of initial adoption of these standards.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

2.3 Group Accounting - Investments in subsidiaries and joint arrangement

(1) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and joint arrangement (Cont'd)

(1) Subsidiaries (Cont'd)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's subsidiaries are shown in Note 11.

(2) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary and gains or losses on disposals to non-controlling interests are recorded in equity.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and joint arrangement (Cont'd)

(3) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements. The company has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in joint ventures includes goodwill identified on acquisition.

If the ownership interest in joint ventures is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduction of the ownership interest in joint ventures is recognised in profit or loss.

The Group's share of its joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in joint ventures equals or exceeds its interest in the joint ventures, together with any long-term interests that, in substance, form part of the entity's net investment in the joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investments in the joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of joint ventures in profit or loss.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in joint ventures are accounted for at cost less impairment.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and joint arrangement (Cont'd)

(3) Joint arrangements (Cont'd)

Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2.4 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using Thai Baht. The consolidated and separate financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit or loss.

2.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within selling and administrative expenses.

2.7 Inventories and TV programs production in progress

a) Equipment and accessories for film production

Equipment and accessories for film production are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Net realizable value is the estimate of the selling price in the ordinary course of business less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2 Accounting policies (Cont'd)

2.7 Inventories and TV programs production in progress (Cont'd)

b) TV programs production in progress and post production in progress

TV programs production in progress, post production in progress and TV programs ready for broadcasts or sales are stated at production cost which is directly attributable to the program production. The cost will be recognised in the income statement when broadcast or sale has been performed.

2.8 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land is classified and accounted for by the Group as investment property when the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at cost less any accumulated impairment loss.

Land is not depreciated.

2.9 Land, building and equipment and assets for rent

Land, building and equipment and assets for rent are measured initially at their cost less any accumulated depreciation. Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building and equipment

Land improvement and leasehold studio building improvement	5, 10, 20 years
Office building and office building improvement	5, 20 years
Studio building and studio building improvement	5, 20, 60 years
Utility system	5, 10, 20 years
Production equipment	5 years
Furniture fixture and office equipment	5, 10 years
Motor vehicles	10 years

2 Accounting policies (Cont'd)

2.9 Land, building and equipment and assets for rent (Cont'd)

Asset for rent

Production equipment	5, 10 years
Supply for film production	3 years
Motor vehicles	5, 10 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

2.10 Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives 3 years and 5 years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

2.11 Impairment of assets

Assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment. Other assets are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Accounting policies (Cont'd)

2.12 Leases

Leases - where a Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2.13 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2 Accounting policies (Cont'd)

2.13 Borrowings (Cont'd)

(a) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.14 Employee benefits

Post-employment

The Group operates various post-employment benefits schemes. The Group has both defined benefit and defined contribution plans.

2.14.1 Defined contribution

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.14.2 Retirement benefits

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

2 Accounting policies (Cont'd)

2.14 Employee benefits (Cont'd)

2.14.2 Retirement benefits (Cont'd)

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2.15 Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.16 Revenue recognition

Revenue of the Group consist principally revenue from television program and commercial production, post production and edition of visual and audio effect of film, advertising films production, rental and service of advertisement production equipment, sales of goods, and service and rental of studio.

Revenue from television program and commercial production are recognised when the advertisement or program is broadcasted.

Revenue from post production and edition of visual and audio effect of film is recognised when significant risks and rewards of ownership of the post production and edition are transferred to the buyer. Revenue from altering and additional production are recognised when completed.

Revenue from advertising films production is recognised when significant risks and rewards of ownership of the advertising production are transferred to the buyer. Revenue from altering tape and sound recording are recognised when completed.

Revenue from rental of equipment is recognised when services are rendered. Rental with inclusive of service revenues are recognised based on portion of service rendered.

2 Accounting policies (Cont'd)

2.16 Revenue recognition (Cont'd)

Revenue from sales of goods comprised the fair value of the consideration received or receivable for the sales of goods net of value-added tax, returns and discounts. Revenue from sales of other goods is recognised when significant risks and rewards of ownership of goods are transferred to the buyer.

Revenue from providing service and renting of studio is recognised when services are rendered.

Other income

Interest income is amortisation on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Dividend income is recognised when the right to receive payment is established.

2.17 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the subsidiaries and joint venture in the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2 Accounting policies (Cont'd)

2.17 Current and deferred income taxes (Cont'd)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Dividend payment

Dividend payment is recorded in the financial statements in the period in which they are approved by the shareholders.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors committee that makes strategic decisions.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, interest rate risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Credit risk

The Group has no significant concentrations of credit risks due to the large number of customer from which the income is charged in cash. The Group has policies in place to ensure that sales of products and services are made to customers with appropriate credit history. Cash transactions are limited to high credit quality financial institutions.

3.1.2 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group's income and operating cash flows are not substantially independent of changes in market interest rates. The loan interest rates of the Group are mainly floated. The Group does not use the interest rate derivative to manage exposure from fluctuation in interest rate on specific borrowing.

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Fair value estimation

Analysis of assets and liabilities carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

See note 13 and note 20 for disclosure of the investment properties and borrowings that are disclosed at fair value.

4 Critical accounting estimates, assumptions and judgements

The Group makes estimates, assumptions and judgements concerning the future. The result of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.1 Critical accounting estimates and assumptions

4.1.1 Estimated impairment of investments in subsidiaries and investment in joint venture

The Group tests whether investments in subsidiaries and investment in joint venture have suffered any impairment. The recoverable amounts have been determined by management based on estimated cash flow of the subsidiaries and joint venture.

4 Critical accounting estimates, assumptions and judgements (Cont'd)

4.1 Critical accounting estimates and assumptions (Cont'd)

4.1.2 Impairment of receivables

The Group maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is significantly impacted by the Group's assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default and consideration of market trends.

4.1.3 Property and equipment, assets for rent and intangible assets

Management determines the estimated useful lives and residual values for the Group's property and equipment, asset for rent and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different from previously estimation, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

4.1.4 Employee benefit obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 21.

4 Critical accounting estimates, assumptions and judgements (Cont'd)

4.2 Critical judgments in applying the entity's accounting policies

4.2.1 Joint arrangements

The Group holds 10.20% of the voting rights of its joint arrangement. The Group has joint control over this arrangement as under the contractual agreements, unanimous consent is Group required from all parties to the agreements for all relevant activities.

The Group's joint arrangement is structured as a limited company and provides the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a joint venture.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

6 Segment information

Financial statements by business segments are as follows: (Cont'd)

	Television programs	Equipment rental and service	Studio rental and service	Sales of products	Post production	Total
	Baht	Baht	Baht	Baht	Baht	Baht
For the year ended 31 December 2018						
Revenues						
Gross segment revenues	44,131,746	369,412,840	71,040,340	5,147,091	20,557,060	510,289,077
Inter-segment revenues	-	(2,890,763)	(19,350,978)	(45,362)	-	(22,287,103)
Net revenues from third parties	44,131,746	366,522,077	51,689,362	5,101,729	20,557,060	488,001,974
Segment result	1,039,458	27,310,475	(12,710,786)	2,577,553	(1,479,365)	16,737,335
Other income						22,562,387
Interest paid						(7,419,638)
Unallocated cost/expenses						(63,538,947)
Share of loss of investment in joint ventures						(2,987,434)
Income tax						(4,096,429)
Loss attributable to owners of the parent						(38,742,726)
Loss attributable to non-controlling interests						(37,216)
Net loss for the year						(38,779,942)

6 Segment information (Cont'd)

Financial statements by business segments are as follows: (Cont'd)

	Television programs	Equipment rental and service	Studio rental and service	Sales of products	Post production	Total
	Baht	Baht	Baht	Baht	Baht	Baht
As at 31 December 2018						
Segment for assets						
Property, plant, and equipment, net	33,599,805	13,671,579	1,197,698,430	-	6,483,467	1,251,453,281
Assets for rent, net	-	281,626,140	-	-	-	281,626,140
Other assets	33,951,234	123,055,560	25,554,027	11,390,382	9,786,016	203,737,219
Unallocated assets						589,497
						<u>1,737,406,137</u>
Segment for liabilities						
Payable arising from purchases of fixed assets	34,739	817,828	1,352,797	-	-	2,205,364
Bank borrowings	-	11,810,000	89,330,000	-	-	101,140,000
Other liabilities	21,443,413	47,485,119	16,624,259	-	2,001,261	87,554,052
						<u>190,899,416</u>
Depreciation and amortisation						
Capital expenditure	6,645,448	62,447,579	28,663,634	-	5,433,412	103,190,073
	287,856	37,891,066	12,541,304	-	1,174,286	51,894,512

6 Segment information (Cont'd)

Financial statements by business segments are as follows: (Cont'd)

	Television programs	Equipment rental and service	Studio rental and service	Sales of products	Post production	Total
	Baht	Baht	Baht	Baht	Baht	Baht
For the year ended 31 December 2017						
Revenues						
Gross segment revenues	58,446,534	354,476,950	21,803,383	4,389,322	22,453,808	461,569,997
Inter-segment revenues	-	(3,476,615)	(9,634,019)	(28,843)	(20,000)	(13,159,477)
Net revenues from third parties	58,446,534	351,000,335	12,169,364	4,360,479	22,433,808	448,410,520
Segment result	784,179	22,610,278	(27,678,053)	1,918,115	1,171,826	(1,193,655)
Other income						7,836,720
Interest paid						(12,876,589)
Unallocated cost/expenses						(68,903,761)
Share of loss of investment in joint ventures						(327,374)
Income tax						(1,669,685)
Loss attributable to owners of the parent						(77,134,344)
Gain attributable to non-controlling interests						53,303
Net loss for the year						(77,081,041)

6 Segment information (Cont'd)

Financial statements by business segments are as follows: (Cont'd)

	Television programs	Equipment rental and service	Studio rental and service	Sales of products	Post production	Total
	Baht	Baht	Baht	Baht	Baht	Baht
As at 31 December 2017						
Segment for assets						
Property, plant, and equipment, net	41,039,326	16,127,641	1,215,115,177	-	9,857,042	1,282,139,186
Assets for rent, net	-	307,419,665	-	-	-	307,419,665
Other assets	43,068,893	121,703,054	33,539,509	9,664,627	8,244,366	216,220,449
Unallocated assets						4,026,721
						<u>1,809,806,021</u>
Segment for liabilities						
Payable arising from purchases of fixed assets	3,317	107,423	1,905,155	-	208,033	2,223,928
Bank borrowings	-	29,930,000	100,000,000	-	-	129,930,000
Other liabilities	23,267,827	58,113,510	8,219,618	-	2,489,053	92,090,008
Unallocated liabilities						275,422
						<u>224,519,358</u>
Depreciation and amortisation	8,465,650	66,045,260	17,387,977	-	5,234,762	97,133,649
Capital expenditure	231,868	60,229,174	330,249,385	-	852,934	391,563,361

Unallocated costs represent corporate expenses. Segment assets consist primarily property and equipment, assets for rent, short-term investments, and operating cash.

Liabilities mainly are trade and other payables purposed to be used for operating of all segments and for the Group's liquidity.

7 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Cash on hand	525,000	490,000	135,000	190,000
Deposits held at call with banks	20,679,295	22,262,388	10,919,175	12,099,745
	21,204,295	22,752,388	11,054,175	12,289,745

As at 31 December 2018, deposits held at call with banks carry interest at the rate ranging from 0.37% to 0.62% per annum (2017: from 0.50% to 0.75% per annum).

8 Short-term investments

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Fixed deposit - due after 6 months but not later than 12 months	-	47,252	-	-
	-	47,252	-	-

As at 31 December 2017, the interest rate on fixed deposit is 1.50% per annum.

9 Trade and other receivables, net

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Trade accounts receivable				
- Other companies	164,803,570	135,002,963	14,290,153	17,982,691
- Related company (Note 31.3)	58,326	123,029	-	-
Accrued income	417,442	596,281	-	-
<u>Less</u> Advances received	(8,607,826)	(1,418,148)	-	(1,120,000)
Allowance for doubtful accounts	(33,025,872)	(26,956,090)	(2,630,162)	(2,787,385)

9 Trade and other receivables, net (Cont'd)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Trade accounts receivable and accrued income, net	123,645,640	107,348,035	11,659,991	14,075,306
Prepaid expenses	4,340,367	4,942,553	786,384	1,308,168
Accrued interest income				
- Related company (Note 31.3)	-	-	600,678	-
Other receivables				
- Other companies	3,452,942	4,337,927	329,979	867,880
- Related company (Note 31.3)	-	-	64,200	-
	131,438,949	116,628,515	13,441,232	16,251,354

During 2018, fully provided trade accounts receivable were written off amounting to Baht 358,791 in the consolidated financial statements.

Outstanding trade accounts receivable and accrued income as at 31 December 2018 and 2017 can be analysed as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Trade accounts receivable and accrued income				
Current	69,753,187	77,829,414	8,549,300	9,649,518
Overdue less than 3 months	42,889,080	24,191,291	3,374,512	4,846,832
Overdue 3 to 6 months	6,205,376	4,216,219	-	-
Overdue 6 to 12 months	12,062,960	5,117,635	-	-
Overdue over 12 months	25,760,909	22,949,566	2,366,341	2,366,341
	156,671,512	134,304,125	14,290,153	16,862,691
<u>Less</u> Allowance for doubtful accounts	(33,025,872)	(26,956,090)	(2,630,162)	(2,787,385)
Trade accounts receivable and accrued income, net	123,645,640	107,348,035	11,659,991	14,075,306

10 Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Equipment and accessories				
for film production	11,390,382	9,664,627	-	-
TV programs production in progress	1,190,444	1,112,378	1,190,444	1,165,901
Post production in progress	10,393	51,698	-	-
	12,591,219	10,828,703	1,190,444	1,165,901

11 Investments in subsidiaries, net

	Separate	
	financial statements	
	2018	2017
	Baht	Baht
Investments in subsidiaries	1,000,200,000	1,245,750,000
<u>Less</u> Allowance for impairment	(25,374,958)	(271,447,438)
Investments in subsidiaries, net	974,825,042	974,302,562

Movements of investments in subsidiaries are summarised as follows:

	Separate	
	financial statements	
	2018	2017
	Baht	Baht
For the year ended 31 December		
Opening net book amount	974,302,562	982,726,736
Acquisition	1,000,000	5,000,000
Decrease in capital of subsidiaries	(3,000,000)	(8,450,000)
Dissolution of subsidiaries	(243,550,000)	-
Reversal of impairment on investment in subsidiaries	246,072,480	-
Impairment on investment (Note 27)	-	(4,974,174)
Closing net book amount	974,825,042	974,302,562

11 Investments in subsidiaries (Cont'd)

The details of investments in subsidiaries are as follows:

Subsidiaries company	Nature of business	Relationship	Paid up Share capital ('000)		% Ownership interest		2018			2017		
							Cost Method	Allowance for impairment	Net	Cost Method	Allowance for impairment	Net
			31 December 2018	31 December 2017	31 December 2018	31 December 2017						
Matching Entertainment Co., Ltd.	Events organiser	Direct shareholder	-	111,000	-	99.99	-	-	-	111,000,000	(110,522,480)	477,520
Gear Head Co., Ltd.	Provide film production equipment for rent and related services	Direct shareholder	175,500	175,500	99.99	99.99	175,500,000	-	175,500,000	175,500,000	-	175,500,000
Matching Studio Plus Co., Ltd.	Production of advertisement films	Direct shareholder	-	133,550	-	99.99	-	-	-	133,550,000	(133,550,000)	-
The Studio Park (Thailand) Co., Ltd.	Provide services and renting of studio	Direct shareholder	780,000	780,000	99.99	99.99	780,000,000	-	780,000,000	780,000,000	-	780,000,000
Book Maker Co., Ltd.	Production and distribution of magazines	Direct shareholder	5,000	7,000	99.99	99.99	5,000,000	(5,000,000)	-	7,000,000	(7,000,000)	-
Time Lapse Co., Ltd.	Post production	Direct shareholder	40,000	40,000	96.75	96.75	38,700,000	(20,374,958)	18,325,042	38,700,000	(20,374,958)	18,325,042
TSP Production Services Co., Ltd.	Production service and Co-operation of movie film	Direct shareholder	1,000	-	99.97	-	1,000,000	-	1,000,000	-	-	-
							1,000,200,000	(25,374,958)	974,825,042	1,245,750,000	(271,447,438)	974,302,562

All subsidiaries are incorporated in Thailand. All holdings are investments in ordinary shares.

11 Investments in subsidiaries (Cont'd)

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

The total non-controlling interest as at 31 December 2018 of Baht 27,891 is of an individual shareholder under Time Lapse Co., Ltd. which is not material.

2018

On 5 January 2018, the Company received a refund capital from Matching Studio Plus Co., Ltd. for capital reduction of 10,000 shares at Baht 100 per value, totalling Baht 1 million.

On 13 June 2018, the Company received a refund capital from Book Maker Co., Ltd. for capital reduction of 20,000 shares at Baht 100 per value, totalling Baht 2 million. The related allowance for impairment of Baht 2 million has been reversed.

Matching Entertainment Co., Ltd. had registered for liquidation with Ministry of Commerce on 27 December 2016 and was dissolved on 3 April 2018. The Company received the capital return and retained earnings from Matching Entertainment Co., Ltd. amounting to Baht 147,444. The related allowance for impairment of Baht 110.52 million has been reversed.

Matching Studio Plus Co., Ltd. had registered for liquidation with Ministry of Commerce on 28 December 2016 and was dissolved on 18 June 2018. The Company received the capital return and retained earnings from Matching Studio Plus Co., Ltd. amounting to Baht 271,404. The related allowance for impairment of Baht 133.55 million has been reversed.

On 7 November 2018, the Board of Directors passed a resolution to approve the establishment of a new subsidiary "TSP Production Services Co., Ltd." and approved an investment of 10,000 ordinary shares at the par value of Baht 100 per share, representing 99.97% of the registered share capital of the subsidiary.

2017

On 30 March 2017, the Company received a refund capital from Matching Studio Plus Co., Ltd. for capital reduction of 44,500 shares at Baht 100 per value, totalling Baht 4.45 million.

On 16 November 2017, the shareholders of Book Maker Co., Ltd. approved to increase the authorised share capital from 20,000 ordinary shares with par value of Baht 100 each to 70,000 ordinary shares with par value of Baht 100 each. The Company has subscribed all the newly issued shares, totaling Baht 5 million.

On 21 December 2017, the Company received a refund capital from Matching Entertainment Co., Ltd. for capital reduction of 40,000 shares at Baht 100 per value, totalling Baht 4 million.

12 Investment in joint venture, net

The Company invested in 125,000 shares, representing 10.20% of issued and fully paid-up share capital in Transformation Film Co., Ltd. which is jointly controlled with other 3 parties.

Details of Transformation Film Co., Ltd. are as follows:

Joint venture	Nature of business	Nature of relationship	% Ownership interest	
			31 December 2018	31 December 2017
Transformation Film Co., Ltd.	Production of film, advertisement, television programmes, and providing entertainment services in all forms	Direct shareholder	10.20	14.29

Joint venture is incorporated in Thailand. Holdings are investments in ordinary shares.

Movements of investments in joint venture are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Opening net book amount	4,872,189	5,199,563	5,199,563	-
Investment during the year	-	-	-	5,199,563
Impairment on investment (Note 27)	-	-	(3,314,808)	-
Share of loss	(2,987,434)	(327,374)	-	-
Closing net book amount	1,884,755	4,872,189	1,884,755	5,199,563

On 23 July 2018, other parties of joint venture additionally invested in Transformation Films Co., Ltd. ("TFF") amounting to Baht 70 million. The Group's shareholding interest in TFF decreased from 14.29% to 10.20%. The proportion of the voting rights in joint venture has not been changed.

During 2018, the Company recognised an impairment loss on investments in Transformation Film Co., Ltd. amounting to Baht 3.31 million as this joint venture has suffered a continued loss and the carrying amount of the investment exceeds its recoverable amount. The recoverable amount is determined based on a value in use approach by using the estimated discounted cash flows with a discount rate of 9.10%.

On 24 March 2017, the Company acquired the share capital of Transformation Film Co., Ltd. from Matching Studio Plus Co., Ltd., a subsidiary, for 250,000 shares at Baht 100 per share, totalling Baht 5.20 million. The Company recognised the investment as joint venture at cost method in the separate financial information.

12 Investment in joint venture, net (Cont'd)

Summarised financial information for joint ventures

Set out below are the summarised financial information of Transformation Film Co., Ltd. which is accounted for using the equity method.

Summarised statement of financial position

	As at 31 December	
	2018	2017
	Baht	Baht
Assets		
Current assets	75,372,750	55,594,474
Non-current assets	14,868,427	4,986,978
Total assets	90,241,177	60,581,452
Liabilities		
Current liabilities	11,199,473	26,121,223
Non-current liabilities	633,823	354,906
Total liabilities	11,833,296	26,476,129
Net assets	78,407,881	34,105,323

Summarised statement of comprehensive income

	For the year ended 31 December	
	2018	2017
	Baht	Baht
Revenue	12,318,786	86,719,156
Cost	(11,891,521)	(43,380,234)
Other income	502,454	2,130
Interest income	83,526	28,857
Selling and administrative expenses	(26,557,350)	(44,840,582)
Depreciation and amortisation	(145,754)	(638,065)
Interest expense	(117,184)	(182,878)
Share of loss on investment in joint venture	(47,185)	-
Loss from operations	(25,854,228)	(2,291,616)
Income tax expense	-	-
Post-tax loss from operations	(25,854,228)	(2,291,616)
Other comprehensive income	156,786	-
Total comprehensive loss	(25,697,442)	(2,291,616)

12 Investment in joint venture, net (Cont'd)

The information above reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the group and the joint venture (and not the group's share of those amounts).

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures.

	For the year ended 31 December	
	2018	2017
	Baht	Baht
Opening net assets 1 January	34,105,323	36,396,939
Shares issuance	70,000,000	-
Loss for the year	(25,854,228)	(2,291,616)
Other comprehensive income	156,786	-
Closing net assets	78,407,881	34,105,323
Interest in joint venture	1,884,755	4,872,189
Carrying value	1,884,755	4,872,189

13 Investment properties, net

	Consolidated financial statements	
	2018	2017
	Baht	Baht
As at 1 January		
Cost	12,209,564	12,209,564
Less Provision for impairment	(1,960,000)	(1,960,000)
Net book amount	10,249,564	10,249,564
For the year ended 31 December		
Opening net book amount	10,249,564	10,249,564
Disposals, net	(10,249,564)	-
Closing net book amount	-	10,249,564
As at 31 December		
Cost	1,960,000	12,209,564
Less Provision for impairment	(1,960,000)	(1,960,000)
Net book amount	-	10,249,564

13 Investment properties, net (Cont'd)

As at 31 December 2018, a subsidiary owns a piece of property that is not utilised, with total cost of Baht 1.96 million (2017: Baht 12.21 million), comprising land and building at Kanchanaburi Province of Baht 1.96 million (2017: comprising land at Prachuap Khiri Khan Province of Baht 10.25 million, and land and building at Kanchanaburi Province of Baht 1.96 million).

On 30 June 2018, a subsidiary disposed land at Prachuap Khiri Khan Province of Baht 10.25 million, totalling Baht 28.05 million. A subsidiary has gain from disposal of Baht 17.80 million.

For the years ended 31 December 2018 and 2017, there is no income or expense that is related to investment properties recognised in profit and loss.

Fair value

The fair value measurement information in accordance with TFRS 13 are given below.

- Quoted prices in active markets for identical assets (level 1).
- Significant other observable inputs (level 2).
- Significant unobservable inputs (level 3).

	Consolidated financial statements	
	2018	2017
	Baht	Baht
Fair value		
Land - Prachuap Khiri Khan Province (level 2)	-	25,500,000
Land and building - Kanchanaburi Province (level 2)	-	-
Total fair value	-	25,500,000

Valuation techniques used to derive Level 2 fair value

Level 2 fair value of the Group's investment properties was appraised by independent professional qualified valuer who holds a recognised relevant professional qualification and has experience in the location and categories of the investment properties valued. Fair value of land at Prachuap Khiri Khan Province valued by applying market approach and fair value of land and building at Kanchanaburi Province valued by applying cost approach. Under both approaches, sales prices of comparable properties in the close proximity are adjusted for differences in key attributes such as width of land and beachfront area. The most significant input into this valuation approach is price per square wah.

14 Property, plant and equipment, net

	Consolidated financial statements									
	Land	Land improvement and leasehold studio building improvement	Office building and office building improvement	Studio building and studio building improvement	Utility system	Production equipment	Furniture fixtures and office equipment	Motor vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2017										
Cost	490,985,937	4,417,791	78,949,378	20,856,423	1,570,771	29,659,601	70,070,167	14,321,987	453,512,783	1,164,344,838
Less Accumulated depreciation	-	(3,781,018)	(40,044,378)	(13,003,020)	(1,478,235)	(20,327,191)	(55,538,555)	(9,575,247)	-	(143,747,644)
Provision for impairment	-	(28)	(533,474)	-	(2)	-	-	-	-	(533,504)
Net book amount	490,985,937	636,745	38,371,526	7,853,403	92,534	9,332,410	14,531,612	4,746,740	453,512,783	1,020,063,690
For the year ended 31 December 2017										
Opening net book amount	490,985,937	636,745	38,371,526	7,853,403	92,534	9,332,410	14,531,612	4,746,740	453,512,783	1,020,063,690
Additions	664,878	2,901,354	2,865,776	695,000	1,572,832	436,125	10,806,836	403,360	277,009,091	297,355,252
Transfer to intangible assets (Note 16)	-	-	-	-	-	-	-	-	(755,778)	(755,778)
Transfer from assets for rent (Note 15)	-	-	-	-	-	-	11,529	-	-	11,529
Transfer in (out)	-	15,420,465	137,688,050	307,725,801	245,129,640	115,140	21,845,634	-	(727,924,730)	-
Disposals and write-off, net	-	(28)	(512,284)	-	(3)	(176,436)	(710,011)	-	-	(1,398,762)
Depreciation (Note 26)	-	(821,569)	(6,172,606)	(4,910,383)	(8,644,222)	(3,106,707)	(7,682,645)	(2,332,117)	-	(33,670,249)
Reversal of impairment charge	-	28	533,474	-	2	-	-	-	-	533,504
Closing net book amount	491,650,815	18,136,995	172,773,936	311,363,821	238,150,783	6,600,532	38,802,955	2,817,983	1,841,366	1,282,139,186
At 31 December 2017										
Cost	491,650,815	20,776,600	217,821,864	329,277,224	248,042,855	28,844,532	98,116,954	14,725,347	1,841,366	1,451,097,557
Less Accumulated depreciation	-	(2,639,605)	(45,047,928)	(17,913,403)	(9,892,072)	(22,244,000)	(59,313,999)	(11,907,364)	-	(168,958,371)
Net book amount	491,650,815	18,136,995	172,773,936	311,363,821	238,150,783	6,600,532	38,802,955	2,817,983	1,841,366	1,282,139,186

14 Property, plant and equipment, net (Cont'd)

	Consolidated financial statements									
	Land	Land improvement and leasehold studio building improvement	Office building improvement	Studio building improvement	Utility system	Production equipment	Furniture fixtures and office equipment	Motor vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
For the year ended 31 December 2018										
Opening net book amount	491,650,815	18,136,995	172,773,936	311,363,821	238,150,783	6,600,532	38,802,955	2,817,983	1,841,366	1,282,139,186
Additions	-	166,083	1,202,693	-	1,687,858	880,821	2,558,426	-	7,912,481	14,408,362
Transfer in (out)	-	-	1,404,882	-	-	-	1,988,115	-	(3,392,997)	-
Disposals and write-off, net	-	-	-	-	-	(178)	(155,811)	(1,073,690)	-	(1,229,679)
Depreciation (Note 26)	-	(1,892,075)	(8,490,642)	(6,193,448)	(12,411,300)	(3,147,106)	(10,931,789)	(798,228)	-	(43,864,588)
Closing net book amount	491,650,815	16,411,003	166,890,869	305,170,373	227,427,341	4,334,069	32,261,896	946,065	6,360,850	1,251,453,281
At 31 December 2018										
Cost	491,650,815	20,942,683	220,429,439	329,277,224	249,730,713	17,087,715	90,457,076	6,076,870	6,360,850	1,432,013,385
Less Accumulated depreciation	-	(4,531,680)	(53,538,570)	(24,106,851)	(22,303,372)	(12,753,646)	(58,195,180)	(5,130,805)	-	(180,560,104)
Net book amount	491,650,815	16,411,003	166,890,869	305,170,373	227,427,341	4,334,069	32,261,896	946,065	6,360,850	1,251,453,281

Depreciation of Baht 30,134,846 (2017: Baht 20,888,959) and Baht 13,729,742 (2017: Baht 12,781,290) are included in cost of providing services and administrative expenses, respectively, in the consolidated financial statements.

Land of a subsidiary with book value of Baht 278.24 million (2017: Baht 278.24 million) was pledged as a collateral for loan acquired by subsidiary.

14 Property, plant and equipment, net (Cont'd)

	Separate financial statements						
	Land improvement and leasehold studio building improvement	Office building and office building improvement	Studio building and studio building improvement	Production equipment	Furniture fixtures and office equipment	Motor vehicles	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2017							
Cost	931,229	60,087,145	20,856,423	16,274,861	35,793,180	12,899,510	146,842,348
Less Accumulated depreciation	(294,485)	(28,673,167)	(13,003,020)	(14,541,177)	(32,365,260)	(8,761,719)	(97,638,828)
Net book amount	636,744	31,413,978	7,853,403	1,733,684	3,427,920	4,137,791	49,203,520
For the year ended 31 December 2017							
Opening net book amount	636,744	31,413,978	7,853,403	1,733,684	3,427,920	4,137,791	49,203,520
Additions	-	-	-	23,354	190,231	-	213,585
Disposals and write-off, net	-	-	-	-	(387)	-	(387)
Depreciation (Note 26)	(46,561)	(3,004,356)	(1,042,822)	(724,110)	(1,354,546)	(2,204,759)	(8,377,154)
Closing net book amount	590,183	28,409,622	6,810,581	1,032,928	2,263,218	1,933,032	41,039,564
At 31 December 2017							
Cost	931,229	60,087,145	20,856,423	16,298,215	35,979,098	12,899,510	147,051,620
Less Accumulated depreciation	(341,046)	(31,677,523)	(14,045,842)	(15,265,287)	(33,715,880)	(10,966,478)	(106,012,056)
Net book amount	590,183	28,409,622	6,810,581	1,032,928	2,263,218	1,933,032	41,039,564
For the year ended 31 December 2018							
Opening net book amount	590,183	28,409,622	6,810,581	1,032,928	2,263,218	1,933,032	41,039,564
Additions	-	-	-	-	232,928	-	232,928
Disposals and write-off, net	-	-	-	(178)	(67,726)	(1,063,411)	(1,131,315)
Depreciation (Note 26)	(46,560)	(3,004,357)	(1,042,821)	(654,965)	(1,161,979)	(630,690)	(6,541,372)
Closing net book amount	543,623	25,405,265	5,767,760	377,785	1,266,441	238,931	33,599,805
At 31 December 2018							
Cost	931,229	60,087,145	20,856,423	4,213,982	26,803,295	4,673,510	117,565,584
Less Accumulated depreciation	(387,606)	(34,681,880)	(15,088,663)	(3,836,197)	(25,536,854)	(4,434,579)	(83,965,779)
Net book amount	543,623	25,405,265	5,767,760	377,785	1,266,441	238,931	33,599,805

Depreciation of Baht 1,697,786 (2017: Baht 1,766,932) and Baht 4,843,586 (2017: Baht 6,610,222) are included in cost of providing services and administrative expenses, respectively, in the separate financial statements.

14 Property, plant and equipment, net (Cont'd)

Leased assets included above, where the Group and the Company are lessees under finance lease comprise motor vehicle as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Cost of leased assets	-	3,590,000	-	3,590,000
<u>Less</u> Accumulated depreciation	-	(2,887,737)	-	(2,887,737)
Net book amount	-	702,263	-	702,263

15 Assets for rent, net

	Consolidated financial statements				
	Production equipment	Supplies for film production	Motor vehicles	Construction in transit	Total
	Baht	Baht	Baht	Baht	Baht

At 1 January 2017

Cost	736,908,929	2,088,565	164,937,063	2,089,185	906,023,742
<u>Less</u> Accumulated depreciation	(484,523,331)	(1,895,711)	(98,182,573)	-	(584,601,615)
Net book amount	252,385,598	192,854	66,754,490	2,089,185	321,422,127

For the year ended 31 December 2017

Opening net book amount	252,385,598	192,854	66,754,490	2,089,185	321,422,127
Additions	42,077,047	-	7,316,673	252,880	49,646,600
Transfer in (out)	2,089,184	-	-	(2,089,184)	-
Transfer to property, plant and equipment (Note 14)	(11,529)	-	-	-	(11,529)
Disposal and write-off, net	(1,056,201)	(135)	(319,862)	-	(1,376,198)
Depreciation (Note 26)	(51,204,565)	(192,719)	(10,864,051)	-	(62,261,335)
Closing net book amount	244,279,534	-	62,887,250	252,881	307,419,665

At 31 December 2017

Cost	774,767,118	-	170,121,324	252,881	945,141,323
<u>Less</u> Accumulated depreciation	(530,487,584)	-	(107,234,074)	-	(637,721,658)
Net book amount	244,279,534	-	62,887,250	252,881	307,419,665

15 Assets for rent, net (Cont'd)

	Consolidated financial statements				
	Production equipment	Supplies for film production	Motor vehicles	Construction in transit	Total
	Baht	Baht	Baht	Baht	Baht
For the year ended 31 December 2018					
Opening net book amount	244,279,534	-	62,887,250	252,881	307,419,665
Additions	25,892,669	-	4,424,645	6,076,556	36,393,870
Transfer in (out)	223,920	-	-	(223,920)	-
Disposal and write-off, net	(4,227,920)	-	(29,571)	(28,960)	(4,286,451)
Depreciation (Note 26)	(48,344,733)	-	(9,556,211)	-	(57,900,944)
Closing net book amount	217,823,470	-	57,726,113	6,076,557	281,626,140
At 31 December 2018					
Cost	788,206,487	-	173,285,369	6,076,557	967,568,413
<u>Less</u> Accumulated depreciation	(570,383,017)	-	(115,559,256)	-	(685,942,273)
Net book amount	217,823,470	-	57,726,113	6,076,557	281,626,140

Depreciation of Baht 57,900,944 (2017: Baht 62,261,335) is included in cost of providing services in the consolidated financial statements.

A subsidiary owns assets for rent which is not for long-term lease.

Leased assets included above, where the Group is a lessee under finance lease comprise production equipment as follows:

	Consolidated financial statements	
	2018	2017
	Baht	Baht
Cost of leased assets	19,730,755	19,730,755
<u>Less</u> Accumulated depreciation	(5,822,100)	(4,095,483)
Net book amount	13,908,655	15,635,272

16 Intangible assets, net

	Consolidated financial statements			
	Software	Construction in progress	Copyright	Total
	Baht	Baht	Baht	Baht
At 1 January 2017				
Cost	12,734,572	92,000	45,500	12,872,072
<u>Less</u> Accumulated amortisation	(8,731,126)	-	-	(8,731,126)
Net book amount	4,003,446	92,000	45,500	4,140,946
For the year ended 31 December 2017				
Opening net book amount	4,003,446	92,000	45,500	4,140,946
Additions	418,837	-	-	418,837
Transfer from property, plant and equipment (Note 14)	450,453	-	305,325	755,778
Write-off, net	(4,407)	-	-	(4,407)
Amortisation (Note 26)	(1,308,230)	-	-	(1,308,230)
Closing net book amount	3,560,099	92,000	350,825	4,002,924
At 31 December 2017				
Cost	12,318,962	92,000	350,825	12,761,787
<u>Less</u> Accumulated amortisation	(8,758,863)	-	-	(8,758,863)
Net book amount	3,560,099	92,000	350,825	4,002,924
For the year ended 31 December 2018				
Opening net book amount	3,560,099	92,000	350,825	4,002,924
Additions	993,716	80,000	-	1,073,716
Transfer in (out)	172,000	(172,000)	-	-
Write-off, net	(10)	-	-	(10)
Amortisation (Note 26)	(1,424,541)	-	-	(1,424,541)
Closing net book amount	3,301,264	-	350,825	3,652,089
At 31 December 2018				
Cost	12,375,806	-	350,825	12,726,631
<u>Less</u> Accumulated amortisation	(9,074,542)	-	-	(9,074,542)
Net book amount	3,301,264	-	350,825	3,652,089

Amortisation of Baht 1,093,585 (2017: Baht 1,085,777) and Baht 330,956 (2017: Baht 222,453) are included in cost of providing services and administrative expenses, respectively, in the consolidated financial statements.

16 Intangible assets, net (Cont'd)

	Separate financial statements			
	Software	Construction in progress	Copyright	Total
	Baht	Baht	Baht	Baht
At 1 January 2017				
Cost	3,551,522	92,000	45,500	3,689,022
<u>Less</u> Accumulated amortisation	(3,264,467)	-	-	(3,264,467)
Net book amount	287,055	92,000	45,500	424,555
For the year ended 31 December 2017				
Opening net book amount	287,055	92,000	45,500	424,555
Amortisation (Note 26)	(88,496)	-	-	(88,496)
Closing net book amount	198,559	92,000	45,500	336,059
At 31 December 2017				
Cost	3,551,522	92,000	45,500	3,689,022
<u>Less</u> Accumulated amortisation	(3,352,963)	-	-	(3,352,963)
Net book amount	198,559	92,000	45,500	336,059
For the year ended 31 December 2018				
Opening net book amount	198,559	92,000	45,500	336,059
Additions	6,350	80,000	-	86,350
Transfer in (out)	172,000	(172,000)	-	-
Write-off, net	(10)	-	-	(10)
Amortisation (Note 26)	(104,075)	-	-	(104,075)
Closing net book amount	272,824	-	45,500	318,324
At 31 December 2018				
Cost	2,575,500	-	45,500	2,621,000
<u>Less</u> Accumulated amortisation	(2,302,676)	-	-	(2,302,676)
Net book amount	272,824	-	45,500	318,324

Amortisation of Baht 104,075 (2017: Baht 88,496) is included in administrative expenses in the separate financial statements.

17 Deferred income taxes

Deferred income taxes are calculated in full on temporary differences, using the liability method and using a principal tax rate of 20% (2017: 20%). The deferred taxation related to the temporary differences between the carrying amounts and the tax bases of assets and liabilities of the Group are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	6,593,102	5,396,288	526,033	562,547
Deferred tax asset to be recovered after more than 12 months	5,074,279	6,345,345	3,204,562	2,835,275
Deferred tax liabilities:				
Deferred tax liabilities to be settled after more than 12 months	(10,381,452)	(8,902,156)	-	-
Deferred income tax, net	1,285,929	2,839,477	3,730,595	3,397,822

The movements in deferred tax assets and liabilities during the year are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
At 1 January	2,839,477	4,631,277	3,397,822	3,128,051
Charged/(credited) to profit or loss (Note 28)	(1,553,548)	(1,669,685)	332,773	179,989
Tax charged/(credited) relation to components of other comprehensive income	-	(122,115)	-	89,782
At 31 December	1,285,929	2,839,477	3,730,595	3,397,822

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority.

Deferred tax assets and deferred tax liabilities in the consolidated financial positions are presented at net amount of assets and liabilities incurred in each subsidiary.

17 Deferred income taxes (Cont'd)

The movements in deferred tax assets and liabilities during the year are as follows:

	Consolidated financial statements			
	1 January 2018	Charged/ (credited) to profit or loss	Charged/ (credited) to other comprehensive income	31 December 2018
	Baht	Baht	Baht	Baht
Deferred income tax assets				
Allowance for doubtful account	5,391,218	1,201,884	-	6,593,102
Employee benefit obligations	6,345,345	(1,271,066)	-	5,074,279
Leased assets under finance lease	5,070	(5,070)	-	-
	11,741,633	(74,252)	-	11,667,381
Deferred income tax liabilities				
Leased assets under finance lease	(522,614)	(436,194)	-	(958,808)
Depreciation	(8,379,542)	(1,043,102)	-	(9,422,644)
	(8,902,156)	(1,479,296)	-	(10,381,452)
Deferred income taxes, net	2,839,477	(1,553,548)	-	1,285,929

	Consolidated financial statements			
	1 January 2018	Charged/ (credited) to profit or loss	Charged/ (credited) to other comprehensive income	31 December 2018
	Baht	Baht	Baht	Baht
Deferred income tax assets				
Allowance for doubtful account	4,680,043	711,175	-	5,391,218
Employee benefit obligations	5,918,807	548,653	(122,115)	6,345,345
Gain on sales of fixed assets within the Group	1,549	(1,549)	-	-
Leased assets under finance lease	5,070	-	-	5,070
Provision for compensation cost	1,086,110	(1,086,110)	-	-
Provision for decommission cost	262,000	(262,000)	-	-
Provision for impairment of assets	106,701	(106,701)	-	-
	12,060,280	(196,532)	(122,115)	11,741,633
Deferred income tax liabilities				
Inventories and work in process	(2,848)	2,848	-	-
Leased assets under finance lease	(129,260)	(393,354)	-	(522,614)
Depreciation	(7,296,895)	(1,082,647)	-	(8,379,542)
	(7,429,003)	(1,473,153)	-	(8,902,156)
Deferred income taxes, net	4,631,277	(1,669,685)	(122,115)	2,839,477

17 Deferred income taxes (Cont'd)

The movements in deferred tax assets and liabilities during the year are as follows (Cont'd):

	Separate financial statements			
	1 January 2018	Charged/ (credited) to profit or loss	Charged/ (credited) to other comprehensive income	31 December 2018
	Baht	Baht	Baht	Baht
Deferred income tax assets				
Allowance for doubtful account	557,477	(31,444)	-	526,033
Employee benefit obligations	2,835,275	369,287	-	3,204,562
Leased assets under finance lease	5,070	(5,070)	-	-
	3,397,822	332,773	-	3,730,595
Deferred income tax liabilities	-	-	-	-
Deferred income taxes, net	3,397,822	332,773	-	3,730,595

	Separate financial statements			
	1 January 2017	Charged/ (credited) to profit or loss	Charged/ (credited) to other comprehensive income	31 December 2017
	Baht	Baht	Baht	Baht
Deferred income tax assets				
Allowance for doubtful account	643,773	(86,296)	-	557,477
Employee benefit obligations	2,479,208	266,285	89,782	2,835,275
Leased assets under finance lease	5,070	-	-	5,070
	3,128,051	179,989	89,782	3,397,822
Deferred income tax liabilities	-	-	-	-
Deferred income taxes, net	3,128,051	179,989	89,782	3,397,822

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable.

The Group and the Company did not recognise deferred income tax assets of Baht 74,188,775 and Baht 55,217,073 (2017: Baht 63,690,263 and Baht 49,340,774), respectively, in respect of losses amounting to Baht 370,943,877 and Baht 276,085,365 (2017: Baht 318,451,316 and Baht 246,703,868), respectively, that can be carried forward against future taxable income.

18 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Trade payable				
- Other companies	8,763,983	9,724,443	284,217	2,203,634
- Related companies (Note 31.3)	9,630	27,446	611,496	563,545
Advance received	6,339,292	1,536,744	934,579	663,083
Fixed assets payables	2,205,364	2,223,928	34,739	3,317
Deposit	766,123	1,760,367	-	-
Other payables - Other companies	6,171,609	4,401,114	43,178	1,379,063
Accrued expenses	15,898,337	16,307,326	2,651,500	2,299,834
	40,154,338	35,981,368	4,559,709	7,112,476

19 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Withholding tax payable	1,574,811	1,788,507	418,350	633,143
Value added tax payable	11,886,844	9,811,934	1,079,147	1,258,391
Deferred income from sales and leaseback	294,305	294,305	-	-
	13,755,960	11,894,746	1,497,497	1,891,534

20 Borrowings

a) Long-term bank borrowing, net

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Current portion of long-term borrowings	23,450,000	28,790,000	-	-
Long-term borrowings payable between 1 to 5 years	77,690,000	101,140,000	-	-
	101,140,000	129,930,000	-	-

20 Borrowings (Cont'd)

a) Long-term bank borrowing, net (Cont'd)

Movements in long-term borrowings from bank for the years ended 31 December 2018 and 2017 are analysed as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Opening amount as at 1 January	129,930,000	287,454,000	-	-
Additional borrowings	-	264,000,000	-	-
Repayment of borrowings	(28,790,000)	(421,524,000)	-	-
Closing amount as at 31 December	101,140,000	129,930,000	-	-

As at 31 December 2018, long-term borrowings from bank amounting to Baht 101.14 million (2017: Baht 129.93 million) comprised of Gear Head Co., Ltd. amounting to Baht 11.81 million (2017: Baht 29.93 million) and The Studio Park (Thailand) Co., Ltd. amounting to Baht 89.33 million (2017: Baht 100 million).

Gear Head Co., Ltd. (Subsidiary) entered into long-term loan agreements with a local commercial bank amounting to Baht 90 million to improve liquidity and expand rental and service business. These long-term loans carried interest at Minimum Loan Rate (MLR) per annum. The long-term loans of Baht 50 million are repayable in monthly installments from July 2014 to June 2019, at the percentage specified in the loan agreements. The long-term loans of Baht 40 million is repayable in monthly installments from December 2014 to November 2019, at the percentage specified in the loan agreements. The loans are guaranteed by Matching Maximize Solution Public Company Limited.

The Studio Park (Thailand) Co., Ltd. (Subsidiary) entered into long-term loan agreements with a local commercial bank amounting to Baht 500 million for The Studio Park project. This long-term loan carried interest at Minimum Loan Rate minus a stipulated margin (MLR - margin) per annum. The long-term loan is repayable in monthly installments from February 2018 to August 2026, at the percentage specified in the loan agreement. The loan is secured by the mortgage of the Company's land.

The loan agreement contains covenants imposed on the Group as specified in the agreement, related to such matters as maintenance of certain debt to equity and maintenance of shareholder status.

20 Borrowings (Cont'd)

a) Long-term bank borrowing, net (Cont'd)

Borrowing facilities

The Group and the Company don't have the undrawn committed borrowing facilities.

The carrying amounts and fair values of certain long-term borrowings are as follows:

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Long-term bank borrowings	101,140,000	129,930,000	101,140,000	129,930,000

The fair value of current borrowings equal their carrying amount, as the impact of discounting is not significant.

Fair value of non-current borrowings are based on discounted cash flows using a discount rate based upon the borrowing rate of 5.75% to 6.25% per annum (2017: 5.75% to 6.25% per annum) and are within level 2 of the fair value hierarchy.

b) Finance lease liabilities, net

The present value of finance lease liabilities is as follow:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Not later than 1 year	3,830,268	4,230,055	-	626,860
Later than 1 year but not later than 5 years	2,868,295	6,708,652	-	-
	6,698,563	10,938,707	-	626,860

20 Borrowings (Cont'd)

c) Interest rate

The effective interest rates at the statement of financial position date were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Bank overdrafts	-	7.13%	-	-
Bank borrowings	5.89% and 6.25%	5.99% and 6.25%	-	-
Finance lease liabilities	6.00% and 6.25%	6.00%, 6.25% and 9.39%	-	9.39%

21 Employee benefit obligations

Retirement benefits plan

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Statement of financial position:				
Retirement benefits	26,459,737	32,675,730	16,022,811	14,176,373
Profit or loss charge included in operating profit for:				
Retirement benefits (Note 26)	4,096,707	2,515,366	2,055,438	1,331,420
Remeasurement for:				
Retirement benefits	-	(610,574)	-	448,912

21 Employee benefit obligations (Cont'd)

Retirement benefits plan (Cont'd)

The movement in the defined benefit obligation over the year is as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
At 1 January	32,675,730	30,770,938	14,176,373	12,396,041
Current service cost	3,422,447	3,550,809	1,742,170	1,797,462
Past service cost	-	(1,652,184)	-	-
Interest expense	674,260	616,741	313,268	347,096
Transfer to subsidiary	-	-	-	(813,138)
	36,772,437	33,286,304	16,231,811	13,727,461
Remeasurements:				
Loss from change in demographic assumptions	-	321,518	-	167,995
Loss from change in financial assumptions	-	252,678	-	194,325
Experience (gain)/loss	-	(1,184,770)	-	86,592
	-	(610,574)	-	448,912
Benefit payment	(10,312,700)	-	(209,000)	-
At 31 December	26,459,737	32,675,730	16,022,811	14,176,373

During 2017, the Company agreed to transfer some portion of employees to a subsidiary; and therefore, the related employee benefit obligations has been transferred to a subsidiary.

The principal actuarial assumptions used were as follows:

	Consolidated and Separate	
	financial statements	
	2018	2017
	%	%
Discount rate	2.67	2.67
Inflation rate	2.50	2.50
Salary growth rate		
- Aged below 40 years	6	6
- 40 - 55 years	4	4
- Above 55 year	3	3
Voluntary redundancy rate		
- Aged below 30 year	24	24
- 30 - 40 years	14	14
- 40 - 55 years	9	9
- Above 55 years	0	0

21 Employee benefit obligations (Cont'd)

Retirement benefits plan (Cont'd)

Sensitivity analysis for each significant assumption used is as follows:

	Consolidated financial statements					
	Change in assumption		Impact on defined benefit obligation			
	2018	2017	2018	2017	2018	2017
Discount rate	1%	1%	Decrease by 8.65%	Decrease by 5.85%	Increase by 9.89%	Increase by 6.67%
Salary growth rate	1%	1%	Increase by 10.76%	Increase by 6.54%	Decrease by 9.55%	Decrease by 5.86%
Turnover rate	20%	20%	Decrease by 10.58%	Decrease by 6.01%	Increase by 13.02%	Increase by 7.35%
Mortality change rate	1%	1%	Increase by 0.32%	Increase by 0.18%	Decrease by 0.34%	Decrease by 0.20%

	Separate financial statements					
	Change in assumption		Impact on defined benefit obligation			
	2018	2017	2018	2017	2018	2017
Discount rate	1%	1%	Decrease by 7.92%	Decrease by 6.77%	Increase by 8.88%	Increase by 7.62%
Salary growth rate	1%	1%	Increase by 9.77%	Increase by 7.47%	Decrease by 8.82%	Decrease by 6.78%
Turnover rate	20%	20%	Decrease by 8.99%	Decrease by 6.66%	Increase by 10.45%	Increase by 7.71%
Mortality change rate	1%	1%	Increase by 0.25%	Increase by 0.20%	Decrease by 0.30%	Decrease by 0.22%

21 Employee benefit obligations (Cont'd)

Retirement benefits plan (Cont'd)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields : Decrease in Government bond yields will increase plan liabilities.

Inflation risk : Some of the Group retirement benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities.

The weighted average duration of retirement benefit plan is 9.6 years (2017: 10.6 years).

Expected maturity analysis of undiscounted retirement benefits:

	Consolidated financial statements				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht	Baht
At 2018					
Retirement benefits	6,434,583	1,450,917	4,754,482	50,888,255	63,528,237
Total	6,434,583	1,450,917	4,754,482	50,888,255	63,528,237

	Consolidated financial statements				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht	Baht
At 2017					
Retirement benefits	15,565,081	1,182,202	5,774,621	51,319,033	73,840,937
Total	15,565,081	1,182,202	5,774,621	51,319,033	73,840,937

21 Employee benefit obligations (Cont'd)

Retirement benefits plan (Cont'd)

	Separate financial statements				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht	Baht
At 2018					
Retirement benefits	4,602,741	1,140,356	2,448,186	20,965,280	29,156,563
Total	4,602,741	1,140,356	2,448,186	20,965,280	29,156,563

	Separate financial statements				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht	Baht
At 2017					
Retirement benefits	4,645,234	166,507	3,290,294	21,263,528	29,365,563
Total	4,645,234	166,507	3,290,294	21,263,528	29,365,563

On 13 December 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits. The Company and its subsidiaries are under consideration of the effect from the change by independent actuaries.

22 Share capital and premium on share capital

	Issued and fully paid-up				
	Authorised number of shares	Number of shares	Ordinary shares	Share premium	Total
	Shares	Shares	Baht	Baht	Baht
At 1 January 2017	781,629,851	644,028,952	644,028,952	769,560,520	1,413,589,472
Shares issuance	-	137,599,781	137,599,781	136,654,163	274,253,944
At 31 December 2017	781,629,851	781,628,733	781,628,733	906,214,683	1,687,843,416
Shares issuance	-	-	-	-	-
At 31 December 2018	781,629,851	781,628,733	781,628,733	906,214,683	1,687,843,416

22 Share capital and premium on share capital (Cont'd)

As at 31 December 2018, the number of authorised ordinary shares is 781,629,851 shares (2017: 781,629,851 shares) with a par value of Baht 1 each (2017: Baht 1 each). The number of issued and fully paid-up ordinary share is 781,628,733 shares (2017: 781,628,733 shares).

2017

On 3 April 2017, the Annual General Meeting of Shareholders approved the allotment and issuance of ordinary shares remaining from previous Right Offering as per the resolution of the Extraordinary Shareholders' Meeting No. 1/2016, totalling 137.60 million shares at a par value of Baht 1 each, to offer to the existing shareholders in proportion to their respective shareholding (Right Offering) at offering price of Baht 2 per share, at a ratio of 1 existing ordinary share to 0.213656 newly issued share.

During 11 to 17 May 2017, the Company offered its remaining ordinary shares to the existing shareholders and on 19 May 2017, received the proceeding of 137.60 million shares subscription with the par value of Baht 1 per share, with the offering price of Baht 2 per share, totalling to Baht 275.20 million. The Company registered the paid-up shares with the Ministry of Commerce on 23 May 2017. The Company recorded direct expenses in respect of shares issuance amounting to Baht 0.95 million as a deduction to the share premium. As a result, the number of registered and paid-up shares increased from 644.03 million shares to 781.63 million shares, with share premium increased from Baht 769.56 million to Baht 906.22 million.

23 Legal reserve

	Consolidated and Separate financial statements	
	2018	2017
	Baht	Baht
At 1 January	10,658,657	10,658,657
Appropriate during the year	-	-
At 31 December	10,658,657	10,658,657

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

24 Other income

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Interest income from short-term loans				
to subsidiaries (Note 31.1)	-	-	30,954,849	17,913,221
Interest income	113,063	2,326,595	66,209	1,995,923
Management fee income to subsidiary (Note 31.1)	-	-	60,000	-
Reversal of allowance for doubtful of loan				
to subsidiary (Note 31.4)	-	-	-	6,250,000
Reversal of allowance for impairment of				
investments in subsidiaries	-	-	2,941,329	-
Gain from insurance compensation for assets for rent	-	50,060	-	-
Gain from disposal of investment properties	17,800,436	-	-	-
Gains from disposals of equipment and intangible asset	3,092,502	631,128	1,816,521	-
Gains on exchange rate	17,418	142,600	-	-
Net income from test run of studio	-	1,567,649	-	-
Penalty from construction	-	774,299	-	-
Others	1,538,968	2,344,389	125,344	12,418
	22,562,387	7,836,720	35,964,252	26,171,562

25 Finance costs

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Interest:				
Subsidiary borrowings (Note 31.2)	-	-	402,500	15,438
Bank borrowings	6,878,727	12,052,431	54,190	-
Finance lease	540,912	824,158	22,091	91,133
	7,419,639	12,876,589	478,781	106,571

26 Expenses by nature

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Depreciation - building and equipment (Note14)	43,864,588	33,670,249	6,541,372	8,377,154
Depreciation - assets for rent (Note 15)	57,900,944	62,261,335	-	-
Amortisation - intangible assets (Note 16)	1,424,541	1,308,230	104,075	88,496
Staff costs	231,685,750	221,076,569	36,145,159	35,077,097
Employee benefit expense (Note 21)	4,096,707	2,515,366	2,055,438	1,331,420
Director and executive remuneration	38,588,281	46,707,811	25,850,791	33,590,491
Outsourcing service fee	14,285,379	15,660,446	3,508,000	4,344,500
Operating leases	31,714,487	38,588,574	15,416,283	19,586,507
Commission	5,476,441	2,583,768	170,000	165,000

27 Other expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Net loss from disposal and write off of equipment	-	387	-	387
Loss from impairment on investments in subsidiaries (Note 11)	-	-	-	4,974,174
Loss from impairment on investment in joint venture (Note 12)	-	-	3,314,808	-
Net loss from exchange rate	-	2,277	-	-
	-	2,664	3,314,808	4,974,561

28 Income tax

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Current income tax	2,542,881	-	-	-
Deferred income tax (Note 17)	1,553,548	1,669,685	(332,773)	(179,989)
Income tax	4,096,429	1,669,685	(332,773)	(179,989)

28 Income tax (Cont'd)

Tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of 20% (2017: 20%) as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Loss before income tax	(34,683,513)	(75,411,356)	(32,529,130)	(49,999,827)
Tax calculated at a tax rate of 20% (2017: 20%)	(6,936,703)	(15,082,271)	(6,505,826)	(9,999,965)
The effect of:				
Joint ventures' results net of tax	597,487	65,475	-	-
Revenue not subject to tax	(105,815)	(346,055)	(40,000)	(1,250,000)
Expenses not deductible for tax purposes	369,625	556,888	704,965	1,177,881
Expenses that can be double deductible	(52,443)	(63,828)	(8,211)	(17,335)
Tax losses for which no deferred income tax asset was recognised	10,224,278	16,539,476	5,876,299	9,909,430
Income tax	4,096,429	1,669,685	(332,773)	(179,989)

29 Loss per share

Basic loss per share is calculated by dividing the loss attributable to shareholders by the weighted average number of paid-up ordinary shares in issue during the year.

The basic loss per share are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Net loss for the year attributable to ordinary shareholders of the Company (Baht)	(38,774,724)	(77,134,344)	(32,228,355)	(49,819,838)
Weighted average number of shares (Shares)	781,628,733	729,604,706	781,628,733	729,604,706
Basic loss per share (Baht per share)	(0.05)	(0.11)	(0.04)	(0.07)

30 Commitments and contingencies

30.1 Letter of guarantee

As at 31 December 2018, there are letters of guarantee issued by a commercial bank in respect of television air time contracts, performance, and electricity usage, on behalf of the Company and subsidiaries totalling Baht 1.28 million (2017: Baht 2.38 million).

30.2 Capital commitments

Commitment as at the statement of financial position date related to capital expenditure but not recognised in the financial statements is as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Property, plant and equipment	14,326,822	854,070	-	-

30.3 Operating leases - where the Group is the lessee

As at 31 December 2018, the Group has commitment obligations in respect of long-term lease of land and building contracts. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Not later than 1 year	4,250,526	7,074,211	1,730,526	1,730,526
Later than 1 year but not later than 5 years	5,084,211	8,374,737	2,964,211	3,974,737
Later than 5 years	9,540,000	10,260,000	9,540,000	10,260,000
	18,874,737	25,708,948	14,234,737	15,965,263

30.4 Guarantees

The Company has provided guarantees for long-term bank borrowing in Gear Head Co., Ltd. for a total of Baht 90 million (2017: Baht 90 million) (Note 20).

The Studio Park (Thailand) Co., Ltd. pledged its land as a security for long-term bank borrowing of Baht 500 million (2017: Baht 500 million).

31 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by The BBTV Productions Co., Ltd. (incorporated in Thailand), which owns 65.03% of the Company's shares. The remaining 34.97% of the shares are widely held. The significant investments in subsidiaries and joint venture are set out in Note 11 and Note 12.

Transactions with the companies and parties under The BBTV Productions Co., Ltd. group are considered related parties transactions. In addition, companies and parties relating to directors and directors' family are also considered related parties.

Relationships with related parties were as follow:

Name of entities	Country of incorporation	Nature of relationships
The BBTV Productions Co., Ltd.	Thailand	Parent company
Gear Head Co., Ltd.	Thailand	Subsidiary
The Studio Park (Thailand) Co., Ltd.	Thailand	Subsidiary
Book Maker Co., Ltd.	Thailand	Subsidiary
Time Lapse Co., Ltd.	Thailand	Subsidiary
TSP Production Services Co., Ltd.	Thailand	Subsidiary
Bangkok Broadcasting & TV. Co., Ltd.	Thailand	Related company and common director
HR Pro Security and Service Co., Ltd.	Thailand	Related company and common director
BBTV New Media Co., Ltd.	Thailand	Related company and common director
Media Studio Co., Ltd.	Thailand	Related company and common director
Media Scene Co., Ltd.	Thailand	Related company and common director
Grand Larn Lung Co., Ltd.	Thailand	Related company and common director

31 Related party transactions (Cont'd)

The following material transactions were carried out with related parties:

31.1 Revenue from sales and services

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Revenues from rental and service				
Related company	2,523,874	1,371,687	-	-
Revenues from rental of props				
Related company	-	2,890	-	2,890
Interest income				
Subsidiaries (Note 24)	-	-	30,954,849	17,913,221
Other income				
Subsidiary (Note 24)	-	-	60,000	-

31.2 Purchases of goods and services

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Cost of services				
Subsidiaries	-	-	2,613,139	3,391,644
Related companies	11,512,500	15,110,405	11,512,500	15,021,341
	11,512,500	15,110,405	14,125,639	18,412,985
Operating expenses				
Related companies	4,104,210	3,170,993	1,530,597	1,687,491
Building rental				
Director	663,158	1,081,493	-	-
Interest expenses				
Subsidiaries (Note 25)	-	-	402,500	15,438

31 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

31.3 Outstanding balances arising from sales/purchases of goods/services

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Trade accounts receivable (included in Note 9 "Trade and other receivables, net")				
Related companies	58,326	123,029	-	-
Accrued interest income (included in Note 9 "Trade and other receivables, net")				
Subsidiaries	-	-	600,678	-
Other receivables (included in Note 9 "Trade and other receivables, net")				
Subsidiaries	-	-	64,200	-
Trade accounts payable (included in Note 18 "Trade and other payables")				
Subsidiaries	-	-	601,866	536,099
Related company	9,630	27,446	9,630	27,446
	9,630	27,446	611,496	563,545
Accrued expense Related companies	364,518	432,693	110,693	260,693

31.4 Short-term loans to subsidiaries

For the years ended 31 December	Separate financial statements	
	2018	2017
	Baht	Baht
Subsidiaries		
Beginning balance	546,000,000	138,250,000
Less Allowance for doubtful	-	(6,250,000)
Beginning balance, net	546,000,000	132,000,000
Loans granted during the year	24,500,000	421,000,000
Reversal of allowance for doubtful (Note 24)	-	6,250,000
Repayments received during the year	(43,000,000)	(13,250,000)
Ending balance	527,500,000	546,000,000

Loans to subsidiaries represent promissory notes, carry interest at the rates of 5.75% per annum (2017: 5.25% to 6.00% per annum) and are due at call. Loans are unsecured.

31 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

31.5 Short-term borrowing from subsidiary

For the years ended 31 December	Separate financial statements	
	2018	2017
	Baht	Baht
Subsidiary		
Beginning balance	7,000,000	-
Borrowings granted during the year	-	7,000,000
Ending balance	7,000,000	7,000,000

Borrowing from subsidiary represents promissory notes, carry interest at the rate of 5.75% per annum (2017: 5.75% per annum) and are due at call. Borrowing is unsecured.

31.6 Directors and executive remuneration

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Salaries and other short-term employee benefits	38,588,281	46,707,811	25,850,791	33,590,491
Post-employee benefits	1,866,420	1,405,930	1,308,465	1,345,218
	40,454,701	48,113,741	27,159,256	34,935,709

32 Event occurs after the reporting date

On 20 February 2019, the Extraordinary Shareholders' Meeting No. 1/2019 of TSP Production Services Co., Ltd. approved to increase the authorised share capital from 10,000 ordinary shares with at value of Baht 100 each to 20,000 ordinary shares at par value of Baht 100 each. The Company has subscribed all the newly issued shares, totalling Baht 1 million.



General Information

Company Name	:	Matching Maximize Solution Public Company Limited
Type of Business	:	TV program production and the subsidiaries operating the equipment rental and services business, the studio rental and services business and the post production business
Head Office	:	No.305/12, SoiSukhothai 6, Sukhothai Road, Dusit Sub-district, Dusit District, Bangkok 10300
Telephone	:	0-2669-4200-9
Fax	:	0-2243-4124 , 0-2243-1494
Homepage	:	www.matchinggroup.com
Registered capital	:	781,629,851 baht
Paid-up capital	:	781,628,733 baht, consisting of 781,628,733 ordinary shares at 1 baht per share

General Information of Subsidiaries

Company Name	:	Gear Head Co., Ltd.
Type of Business	:	Equipment rental and services business
Head Office	:	No.173/13-14SoiPahonyothin 44, Pahonyothin Road, Senanikom, Chatuchak, Bangkok 10220
Telephone	:	0-2940-0787-90
Fax	:	0-2940-0318
Branch	:	No.999 Moo 2, Bangbor Sub-district, Bangbor District, Samutprakan 10560
Telephone	:	0-2039-3999
Homepage	:	www.gearheadthailand.com
Registered Capital	:	175,500,000 baht
Paid-up Capital	:	175,500,000 baht, consisting of 1,755,000 ordinary shares at 100 baht per share

Company Name : **The Studio Park (Thailand) Co., Ltd.**
Type of Business : Studio rental and services business
Head Office : No.305/12 Soi Sukhothai 6, Sukhothai Road, Dusit Sub-district, Dusit District, Bangkok 10300
Telephone : 0-2669-4200-9
Fax : 0-2243-4124 , 0-2243-1494
Branch : No.999 Moo 2, Bangbor Sub-district, Bangbor District, Samutprakan 10560
Telephone : 0-2034-5999-9
Homepage : www.thestudioparkthailand.com
Registered Capital : 780,000,000 baht
Paid-up Capital : 780,000,000 baht consisting of 7,800,000 ordinary shares at 100 baht

Company Name : **Time Lapse Co.Ltd.**
Type of Business : Post production services
Head Office : No.305/12 Soi Sukhothai 6, Sukhothai Road, Dusit Sub-district, Dusit District, Bangkok 10300
Telephone : 0-2669-4200-9
Fax : 0-2243-4124 , 0-2243-1494
Branch : No.1679/8 Soi Ladprow 94 (Panchamit), Plubpla Sub-district, Wangthonglang District, Bangkok
Telephone : 0-2157-0040
Registered Capital : 40,000,000 baht
Paid-up Capital : 40,000,000 baht, consisting of 400,000 ordinary shares at 100 baht per share

Company Name : **TSP Production Service CO. Ltd.**
Type of Business : To facilitate foreign film production in Thailand/ to form a joint venture/ co-invest, or cooperate with film production personnel/ individuals/ or juristic persons/ international organizations involved in film production; and organize supporting related activities
Head Office : No.999 Moo 2, Bangbor Sub-district, Bangbor District, Samutprakan 10560
Telephone : 0-2034-5999
Branch : No.379 Soi Narathiwachanarakin 24, Sathupradit Road, Chongnonsi Sub-district, Yannawa District, Bangkok
Telephone : 0-2674-8090
Registered Capital : 2,000,000 baht (as of February 21, 2019)
Paid-up Capital : 2,000,000 baht consisting of 200,000 shares at 100 baht per share

Information of Registrar

Registrar	:	Thailand Securities Depository Co., Ltd.
Office	:	93 Rachadapisek Road, Dindaeng Sub-district, Bangkok, 10400
Telephone	:	0-2009-9000
Fax	:	0-2009-9991
Homepage	:	www.set.or.th/tsd

Information of Auditor

Company Name	:	Pricewaterhousecoopers ABAS Co., Ltd.
Office	:	15 th Floor, Bangkok City Building, No. 179/74-80 South Sathorn Rd, Thungmahamek, Sathorn, Bangkok 10120
Telephone	:	0-2286-9999
Fax	:	0-2286-5050
Homepage	:	www.pwc.com

Information of Legal Advisor

Company Name	:	Siam Premier International Co., Ltd.
Office	:	26 th Floor, Central World, No. 999/9 Rama I Rd, Pathumwan, Bangkok 10330
Telephone	:	02-646-1888
Fax	:	02-646-1919
Homepage	:	www.siampremier.co.th



บริษัท แม็กเซิ่ง แม็กซิมัซ โซลูชั่น จำกัด (มหาชน)
Matching Maximize Solution Public Company Limited

305/12 ซอยสุขุทัย 6 ถนนสุขุทัย แขวงดุสิต
เขตดุสิต กรุงเทพฯ 10300
305/12 Soi Sukhothai 6, Sukhothai Road,
Dusit Sub-district, Dusit District, Bangkok 10300
Tel. 0-2669-4200-9
Fax : 0-2243-4124, 0-2243-1494

<http://www.matchinggroup.com>

