

23 February 2018

Subject Management discussion on 2017 operating results

To The President of Stock Exchange of Thailand

For 2017 operating performance, Matching Maximize Solution Public Company Limited (the Company) posted a net loss in the consolidated financial statement amounting to 77.13 million baht, accelerating by 11.30 million baht or 17.17% on a year-on-year basis. The details are as follows:

Operating results

Revenue

The Company's revenue totaled 448.41 million baht, decreasing by 8.26 million baht or 1.81% on a year-on-year-basis. The revenue from TV program production and equipment rental and service businesses declined. However, in mid-2017, the Company launched the Studio Park to provide studio rental and related services. The review from the new business remained minor as it remained during an introduction period when clients were offered promotions. Meanwhile, the post-production business performed quite well; therefore, the revenue from this business increased.

Revenue breakdown

Total	As of 31 December		Increase (Decrease)	
	2016	2017	Amount	(%)
1. Revenue from equipment rental and service business	355.58	351.00	(4.58)	-1.29
2. Revenue from TV program production business	81.69	58.45	(23.24)	-28.45
3. Revenue from post-production business	12.47	22.43	9.96	79.87
4. Revenue from studio rental and service business	-	12.17	12.17	N/A
5. Revenue from TV commercial production	2.43	-	(2.43)	-100.00
6. Revenue from product sales	4.50	4.36	(0.14)	-3.11
Total	456.67	448.41	(8.26)	-1.81

Cost of service and sales

The Company's cost of service and sales increased by 12.13 million baht or 3.66% year-on-year to 343.65 million baht. The increase resulted from the booking of depreciation cost linked to The Studio Park project. All in all, the gross profit amounted to 104.76 million baht, translating to a gross profit margin of 23.36%.

SG&A and other expenses and financial cost

The company booked SG&A and other expenses amounting to 174.80 million baht, decreasing by 9.10 million baht or 4.95%.

The financial cost amounted to 12.88 million baht, increasing by 6.79 million baht or 111.54% year-on-year due to borrowing to fund the investment.

Financial Position

Assets

As of 31 December 2017, the total assets decreased by 26.29 million baht to 1,809.81 million baht, equivalent to a decrease of 1.43% on a year-on-year basis. The details are as follows:

- Cash and cash equivalent amounted to 22.75 million baht, decreasing by 134.73 million baht or 85.55% on a year-on-year basis. The temporary investment was down by 150.29 million baht or 99.97% to 0.01 million baht given the investment in the Studio Park Projection; hence, the net amount of the property plant and equipment stood at 1,282.14 million baht, increasing by 262.07 million baht or 25.69%.
- Net account receivables and other receivables increased by 16.42 million baht or 16.39% year-on-year to 116.63 million baht. 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.

Liabilities

As of 31 December 2017, the Company saw total liabilities of 224.52 million baht, decreasing by 223.95 million baht or 49.94% year-on-year as the Company repaid long-term loans to financial institutions. Therefore, the debt to equity ratio stood at 0.14 times, down from 0.32 times seen in 2016.

Shareholders' equities

As of 31 December 2017, the shareholders' equities increased by 197.66 million baht or 14.24% year-on-year to 1,585.29 million baht as a result of the capital increase.

Cash Flow

The Company's cash and cash equivalent at the end of the period amounted to 157.48 million baht. The cash from funding activities increased to 114.67 million baht while the cash used for investment activities amounted to 237.29 million baht. Finally, the cash used for operating activity amounted to 12.11 million baht.

Financial Ratios

Ratio	unit	31 Dec 16	31 Dec 17
Liquidly ratio	Time	2.91	2.36
Net profit ratio	%	(14.34)	(16.89)
Return on equity ratio	%	(5.07)	(5.19)
Return on asset ratio	%	(4.08)	(4.23)
Debt to equity ratio	Time	0.32	0.14

Yours sincerely,

Matching Maximize Solution Public Company Limited

(Mr. Wiroj Bunsirungruang)
Executive Director, Senior Executive Vice President
and Company Secretary