

MMS-AC62/004

February 22, 2019

Subject Management discussion on 2018 operating results

To The President of Stock Exchange of Thailand

For 2018 operating performance, which was audited by the authorized auditor, Matching Maximize Solution Public Company Limited (the Company) posted a net loss in the consolidated financial statement for the parent company amounting to 38.74 million baht, representing a smaller loss of 38.39 million baht or 49.77% versus a loss of 77.13 million baht in 2017. The details are as follows:

Operating results

Revenue

The Company's revenue totaled 488.00 million baht, increasing by 39.59 million baht or up by 8.83% from the revenue of 448.41 million baht booked in 2017. The revenue from equipment rental and service business and the studio rental and service business increased on the back of a larger number of both domestic and international clients. On the contrary, the revenue from TV production and post-production businesses declined. The details are shown on the following table.

Revenue breakdown

Total	As of 31 December		Increase (Decrease)	
	2018	2017	Amount	(%)
1. Revenue from equipment rental and service business	366.52	351.00	15.52	4.42
2. Revenue from studio rental and service business	51.69	12.17	39.52	324.73
3. Revenue from TV program production business	44.13	58.45	(14.32)	-24.50
4. Revenue from post-production business	20.56	22.43	(1.87)	-8.34
5. Revenue from product sales	5.10	4.36	0.74	16.97
Total	488.00	448.41	39.59	8.83

Cost of sales and service

In 2018, the Company's cost of sales and service increased by 10.17 million baht or 2.96% year-on-year to 353.82 million baht versus 343.65 million baht booked in 2017. The increase resulted from the full-year operation of The Studio Park in 2018, compared to the operation of just the latter half of the year 2017. All in all, the gross profit amounted to 134.18 million baht, translating to a gross profit margin of 27.50%, up from 23.36% in 2017.

SG&A and other expenses and financial cost

In 2018, the company booked SG&A and other expenses amounting to 181.02 million baht, increasing by 6.22 million baht or 3.56% when compared to the expenses of 174.80 million baht booked in 2017. The SG&A expenses accounted for 37.09% of the total revenue. Meanwhile, the financial cost amounted to 7.42 million baht, decreasing by 5.46 million bath or down by 42.39% from 12.88 million baht in 2017 due to the loan repayment made to financial institutions.

Financial Position

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 details are as follows:

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. 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, down by 25.79 million 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 % on a year-on-year basis.

- The employee benefit 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.

Therefore, the debt to equity ratio stood at 0.12 times.

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 due to loss.

Cash Flow

In 2018, the Company's cash from operating activities amounted to 43.55 million baht and cash used for investment activities amounted to 15.11 million baht. Finally, the cash used for funding activities amounted to 34.99 million baht. Therefore, the Company's cash and cash equivalent as of the end of 2018 amounted to 21.20 million baht.

Financial Ratios

Ratio	unit	December 31, 2018	December 31, 2017
Liquidly ratio	Times	2.38	2.36
Net profit ratio	%	(7.60)	(16.89)
Return on equity ratio	%	(2.48)	(5.19)
Return on asset ratio	%	(2.19)	(4.23)
Debt to equity ratio	Times	0.12	0.14

Please be informed accordingly.

Sincerely yours,
Matching Maximize Solution Public Company Limited

Mr.Wiroj Bunsirirungruang
Senior Executive Vice President
and Company Secretary