

MMS-AC63/024

May 11, 2020

Subject Management discussion of three-month operating result ending March 31, 2020

To The President of the Stock Exchange of Thailand

Matching Maximize Solution Public Company Limited (the Company) would like to report the three-month operating results ending on 31 March 2020, which were reviewed by a certified public accountant. In the consolidated financial statement for the period, the Company booked a net loss of 14.81 million baht, reversing from a net profit of 1.89 million baht reported for the same period of last year and representing a bigger loss of 16.70 million baht. The details are as follows.

Operating results

Revenue

The revenue in 1Q20 amounted to 101.33 million baht, down by 32.89 million baht or down by 24.50 % on a year-on-year basis. The revenue from equipment rental services and studio rental services continued to decline especially in late 1Q20 as a result of the widespread of the coronavirus 2019 (COVID-19). The widespread of the pandemic had an impact the Company's operation as the Company followed the government order to partially suspend the operation. Meanwhile, the Company already disposed of its postproduction business during the quarter. The details are shown on the table below.

Revenue	As of March 31		Increase (Decrease)	
	2020	2019	Amount	(%)
1. Revenue from equipment rental services business	84.74	107.23	(22.49)	(20.97)
2. Revenue from studio rental service business	4.73	11.19	(6.46)	(57.73)
3. Revenue from TV content business	11.03	10.66	0.37	3.47
4. Revenue from post production business	-	3.74	(3.74)	(100.00)
5. Revenue from product sales	0.83	1.40	(0.57)	(40.71)
Total	101.33	134.22	(32.89)	(24.50)

Cost of sales and service

The cost of sales and service amounted to 82.12 million baht, down by 4.73 million baht or down by 5.44 from 86.85 million baht booked for the same period of last year. Overall, the Company's gross profit stood at 19.21 million baht, translating to a gross profit margin of 18.96%.

SG&A expenses, other expenses and financial cost

The SG&A expenses declined by 6.92 million baht to 34.69 million baht, representing a drop of 16.64% from the figure seen in the same period of last year. Meanwhile, the financial cost increased by 0.88 million baht to 2.37 million baht due to borrowing from a financial institution.

Financial position

Assets

As of March 31, 2020, the assets totaled 1,745.65 million baht, down by 8.12 million baht. The total assets consisted of current assets worth 206.02 million baht and non-current assets worth 1,539.63 million baht, accounting for 11.80 and 88.20 of the total assets, respectively. Key asset details are as follows:

- Cash and cash equivalent amounted to 57.90 million baht.
- Net trade receivables and other receivables amounted to 110.34 million baht, most of which were undue receivables and with remaining outstanding not exceeding three months, which is a normal credit term for general clients.
- Net land, premise and equipment amounted to 1,245.67 million baht, down by 4.30 million baht due to the depreciation.

Liabilities

As of March 31, 2020, the Company's total liabilities amounted to 254.90 million baht, consisting of current liabilities of 74.10 million baht and non – current liabilities of 180.80 million baht.

- The Company also had long-term borrowing from financial institutes at 158.43 million baht, up by 45.83 million baht. Therefore, the Company saw a D/E ratio at 0.17 times.

Cash flow

The net operating cash flow declined by 11.82 million baht, while the net cash flow from investment activities increased by 3.97 million baht. The net cash flow from funding activities dropped by 1.27 million baht. Total net cash flow fell by 9.12 million baht. Hence, the net cash flow amounted to 57.90 million baht at the end of the period.

Please be informed accordingly.

Yours sincerely,

Matching Maximize Solution Public Company Limited

(Mr. Wiroj Bunsirungruang)

Chief Executive Officer