



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

รายงานประจำปี 2559  
Annual Report 2016

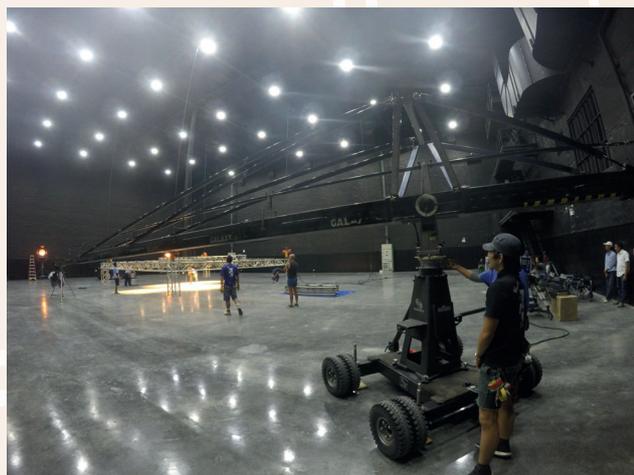
The  
studio  
park

# ข้อมูลทางการเงินโดยสรุป ในรอบปี 2557 - 2559

## Summary of Financial Highlights for 2014 - 2016

สรุปข้อมูลทางการเงิน • Financial Highlights		2557 • 2014	2558 • 2015	2559 • 2016
ผลการดำเนินงาน Earnings Performance	(ล้านบาท) • (Million Baht) รายได้จากการขายและบริการ Revenue from sales and service	593.42	524.32	456.67
	รายได้รวม Total revenue	612.39	531.53	462.91
	กำไรสุทธิ Net profit	29.36	(50.89)	(66.40)
งบแสดงฐานะการเงิน Balance Sheet	(ล้านบาท) • (Million Baht) สินทรัพย์รวม Total Assets	1,496.72	1,420.66	1,836.09
	หนี้สินรวม Total Liabilities	181.26	190.27	448.47
	ส่วนของผู้ถือหุ้น Shareholders' Equity	1,315.46	1,230.39	1,387.62
หุ้นหรือข้อมูล เกี่ยวกับหุ้นสามัญ Shares or details about ordinary shares	จำนวนหุ้นสามัญที่ออกและชำระเต็มมูลค่า (ล้านหุ้น) Issued and paid-up ordinary shares (million Shares)	531.63	531.63	644.03
	มูลค่าตามบัญชีต่อหุ้น (บาท) Book Value Per Share (Baht)	2.47	2.31	2.15
	กำไรต่อหุ้นขั้นพื้นฐาน (บาท) Earnings Per Share (Baht)	0.06	(0.09)	(0.12)
	เงินปันผลจ่ายต่อหุ้น (บาท) Dividend Per Share (Baht)	0.055	N/A	N/A
อัตราส่วน ทางการเงิน Financial Ratios	อัตรากำไรสุทธิ (%) Net Profit Margin (%)	4.79	(9.57)	(14.34)
	อัตราผลตอบแทนผู้ถือหุ้น (%) Return on Equity (%)	2.29	(4.00)	(5.07)
	อัตราผลตอบแทนจากสินทรัพย์ (%) Return on Assets (%)	2.06	(3.49)	(4.08)
	อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น (เท่า) Debt to Equity Ratio (time)	0.14	0.15	0.32

ผู้ลงทุนสามารถศึกษาข้อมูลเพิ่มเติมของบริษัทที่ออกหลักทรัพย์เพิ่มเติม ได้จากแบบแสดงรายการข้อมูลประจำปี (แบบ 56-1) ของบริษัทที่แสดงไว้ใน [www.sec.or.th](http://www.sec.or.th) หรือ [www.matchinggroup.com](http://www.matchinggroup.com)  
Investors can find additional securities issuer information in the Company's Form 56-1 disclosed at [www.sec.or.th](http://www.sec.or.th) or the Company's website at [www.matchinggroup.com](http://www.matchinggroup.com)



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## *Vision*

To become a leader in  
the entertainment business at  
an international level

## *Mission*

To maintain the standard and enhance  
the potential as a professional provider of  
equipment rental services;  
to develop an international standard studio (NC25)  
in order to serve demand of  
both local and international clients.



## • Message from The Board •

### Dear shareholders of Matching Maximize Solution Public Company Limited

Thailand's economic growth expanded by 3.3% in 2016. While this figure suggests some recovery, the pace of the recovery remained slower than the historical average on the back of continued fluctuations in both external and internal factors, e.g., political factors, foreign investors' confidence, Chinese economic slowdown, US trade policies, and etc.

*Regarding the entertainment, advertising, and TV businesses, Nielsen reported that in 2016 the industry's advertising spending through various media channels was valued at Baht 107,896 million, down by Baht 14,279 million or 11.69% from Baht 122,175 million reported in 2015. The decrease was due to unfavorable sentiment that impeded the advertising spending through various media channels. While the Internet media showed strong growth, the market share of this media channel remained rather small. Meanwhile, the advertising spending through magazines or paper media showed the biggest drop because the printing media has been deteriorating as the paper media has been replaced by digital media, which gained more and more popularity. In addition, the advertising spending through TV channels also declined due to poor domestic sentiment.*

The Company's operating performance in the past year was rather dissatisfying on the back of intense competitions in the advertising and TV industries amid slowdown in the overall advertising spending from product/service owners on the back of the aforementioned unfavorable factors. Therefore, the Company decided to cease its printing and event organizing businesses.

However, in 2016 the Company decided to develop a plot of land of 216 rai in Bangbo District, Samutprakan province for its rental studio project called "The Studio Park (Thailand)". The project has shown good progress and currently only some interior design and external facility works, e.g., surrounding landscapes architecture, remain incomplete. The rental studio project will be available for feature film producers, foreign crew, TV operators as well as event organizers, e.g., concerts, product launches, etc. Once completed, the new project is expected to enhance the Company's integrated business and bring recurring income to the Company, driving steady organic growth going forward.

Amid the changing business world, especially when technology has a significant impact on the corporate sector, the Company has to be committed to further development of its business. The Company will focus on the best services for clients, partners and consumers, both locally and internationally. The Company is committed to paving a firm foundation for steady business growth, with good corporate principles being taken into account. The Company's commitments can be fulfilled thanks to support and trust from all relevant parties: on behalf of the Board of Directors, I would like to express my deep gratitude to all stakeholders, clients, shareholders, employees, investors, financial institutions, suppliers and all sponsors for their continued support.

Your faithfully



(Mr. Somrit Srithongdee)  
Chairman of Board of Directors

## • Business Overview •

### 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 Baht 1 million by Mr. Somchai Cheewasutthanon and Mr. Thanisaphong Sasinmanop. In 2004, BBTV production Company Limited became a shareholder. At present, the Company operates four businesses, namely TV program production, TV commercials production, equipment rental services, and post production. In addition, the Company has expanded to a new business, i.e., studio rental business, which has now been under construction. The project is expected to be completed around the beginning of the second quarter of 2017.

The Company's Vision and Mission:

#### Vision

To become a leader in  
the entertainment business at  
an international level

#### Mission

To maintain the standard and enhance  
the potential as a professional provider of  
equipment rental services;  
to develop an international standard studio (NC25)  
in order to serve demand of  
both local and international clients.

### Business Overview

The Company's core businesses have been TV production business and TV commercial production for a long time. The Company subsequently expanded to other businesses operated by the subsidiaries, e.g., equipment rental business and post-production business. During 2014 to 2016, the Company saw a good opportunity of the expansion of digital TV business and stimulus measures from the government. Therefore, it has invested in the new studio rental business, which is a way of business expansion from its existing core business and this new business will support overall entertainment businesses. The Company's current businesses are as follows:

- **TV program production business**

The Company produces TV programs broadcast in the airtime slots bought from the TV channel. Then, it sells commercial timeslots to advertising agencies or product owners. In addition, the Company also provides TV program production service for the TV channel. In 2016, there was one TV program namely “Plod Nee”.

- **TV commercial production**

The Company runs a production house to produce TV commercials promoting products or conveying messages from clients to their targeted customers. In addition, the Company also coordinates with and provides services for foreign crew to facilitate filming or shooting activities set in Thailand.

- **Equipment rental service**

The Company provides rental equipment for filming, shooting, producing TV dramas and producing TV commercials, as well as providing skillful personnel who know how to use such equipment. The rental equipment is delivered to filming sites. Examples for such service in 2016 included the equipment for foreign movies from France, Germany, India, China and etc.

- **Studio Rental Business**

In 2016, the Company developed the land and began to construct the rental studio called “The Studio Park (Thailand)”. At present, only some interior design and external facility works remain incomplete.

- **Post Production**

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

- **Printing Business**

The Company operated printing, magazine and pocket book business but in 2016 the Company decided to sell the rights for its magazines and pocket books given the current circumstances in the printing industry.

- **Film Production**

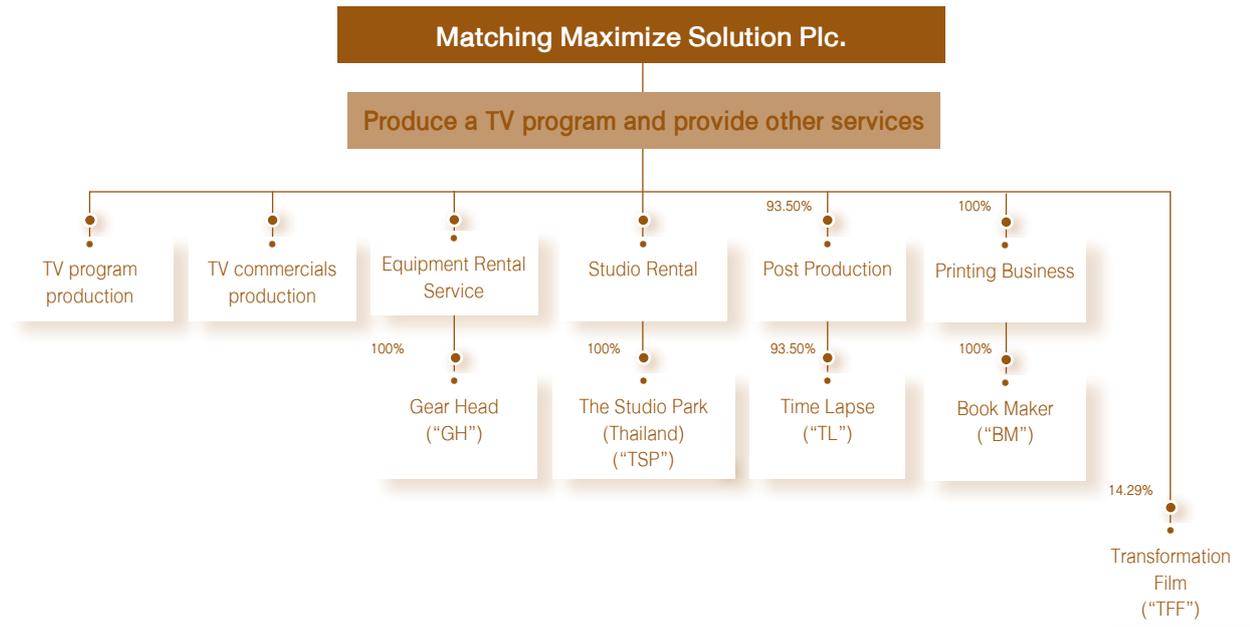
The Company formed a joint venture to produce Thai films released on cinemas and sold in various channels. In 2016, Example of the film “Suddenly Twenty”





### The Company's group structure

As of March 2016, the Company's structure classified by types of business type were as follows



### Business Objectives

The Company is currently launching studio rental project called "The Studio Park (Thailand)" consisting of a big international rental studio to support all kinds of international filming or shooting activities, a state-of-the-art warehouse and a big new office building. The new home project is aimed at strengthening the Company's integrated business and enabling the Company to become a center for various kinds of content production in order to support demand during the digital TV era and also be well prepared for the ASEAN Economic Communities (AEC).



## • Type of Business •

### Revenue Structure

Company and its subsidiaries' revenue structure classified by types of business in the consolidated financial statements for 2014-16 is as follows:

Consolidated financial statement	2014		2015		2016	
	Baht: Million	%	Baht: Million	%	Baht: Million	%
<b>Core Businesses</b>						
1. Equipment Rental Services	387.99	63.36	377.51	71.02	355.58	76.81
2. TV program production	153.61	25.08	124.95	23.51	81.69	17.65
3. Post production	-	-	9.63	1.81	12.47	2.69
4. TV commercial production	44.37	7.24	6.54	1.23	2.43	0.53
5. Product sales	7.45	1.22	5.69	1.07	4.50	0.97
<b>Total revenue from core businesses</b>	<b>593.42</b>	<b>96.90</b>	<b>524.32</b>	<b>98.64</b>	<b>456.67</b>	<b>98.65</b>
<b>Other income</b>	<b>18.97</b>	<b>3.10</b>	<b>7.21</b>	<b>1.36</b>	<b>6.24</b>	<b>1.35</b>
<b>Total revenue</b>	<b>612.39</b>	<b>100.00</b>	<b>531.53</b>	<b>100.00</b>	<b>462.91</b>	<b>100.00</b>

Note:

\* The Company ceased its event organizing business in 2H16.

In 2016, the Company and its subsidiaries' core businesses consisted of equipment rental business, TV program production business, post-production business and TV commercial production.

### 1 Equipment Rental Services Service Details

GH offers equipment rental services for shooting movies, serving all groups of clients who want high quality and high definition shooting devices. These client groups include film producers, documentary producers, commercial producers and music video producers both in Thailand and overseas. These customer groups are served by "Gear Head". In addition, the Company also serves demand from clients who are drama producers and TV program producers; the service in this segment is offered under the brand "Handy Gear".



### Major rental equipment items

Items	Examples
Digital cameras	Arriflex cameras, Red, Weisscam, Phantom, Sony, Canon, Go Pro Arri, Hawk, Carl Zeiss, Angenieux, Cooke, Canon and Drone
Lighting equipment	Tungsten , Daylight , new models of LEDs, and Super Silent Generators
Sound equipment	Sound recorders, Mixing consoles, Microphones
Grips	Cranes, Dollies , Stabilizer and Non Stabilizer Remote Head , Telescopic Crane
Rig equipment	Special equipment designed for producing movies on clients' demand
Service vehicles	Vans, Beverage vehicles, Mobile toilets and Motor homes

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

### Market and Competition

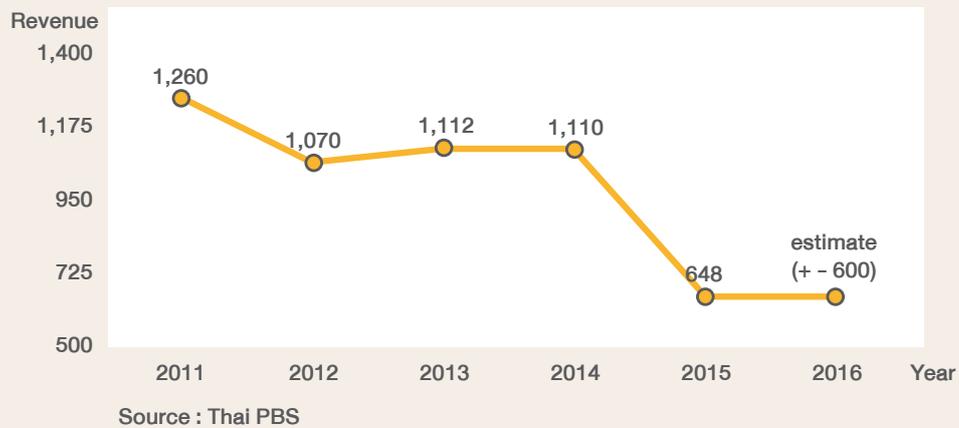
#### 1. Industry

- Film Industry

In 2016 the film industry tended to be livened up by the commercial kick-offs of three highly experienced firms, namely GDH, T Moment, and CJ Major Entertainment. However, the livelier atmosphere was unable to push the Thai film industry to pass the deterioration period due in part to the overall economic slowdown, the infringement of copyrights and the producers' surviving strategies, which reduced number of production volume. Furthermore, the weak industry outlook was also caused by the uninteresting content of the Thai films themselves. Cinemas also tended to choose more foreign films instead of Thai films as foreign films were believed to generate more revenue. In 2016, 49 Thai films were released while 256 foreign films were on screen. The number of released Thai films represented 16% of the total. This low portion of Thai films represented a low point in 10 years for the second consecutive year.

## Sharing of Thai Film Revenue

(Year 2011 - 2015)



Meanwhile, consumers also became more cautious about spending money on watching films. They chose selected Hollywood films rather than Thai films. In 2016, only two Thai films managed to generate revenue exceeding Baht 100 million. The first one was Laung Pee Jass 4G that generated Baht 164 million in revenue and another one was Fan Day making Baht 111 million. Only 17 Thai films managed to generate over one millions. This gloomy outlook discouraged producers from investing in new big films but, instead, prompted producers to reduce the sizes of both production models and investment in order to reduce risks.

In the past year, the number of foreign producing coming to produce commercials or shoot films in Thailand also declined due mainly to the global economic slowdown, political situations, the appreciation of the Baht, higher competition from other countries who offered fringe benefits to attract foreign producers (but Thailand did not offer any special privileges). In addition, the passing of King Rama IV was also a reason why foreign producers postponed their projects in Thailand and the situation is expected to improve in 2Q17. The Company's equipment rental services provided for foreign producers was thus impacted by this gloomy sentiment.

The government was trying to give a boost to Thai film industry by coming up with a strategy to promote Thai film and video industry for a period of three years, starting in 2016. The strategy covered five areas, namely i) enhancement of personnel quality; ii) enhancement of marketing competitiveness both domestically and internationally, iii) promotion of local wisdom rights or copyrights; iv) promotion of international cooperation; and v) development of a driving mechanism information center. The objectives of the strategies include; to provide clear guidelines and directions for Thai film and video industry; to drive Thailand as a hub for ASEAN's film and video industry as well as a major source for global film markets; to use the film industry as a tool to generate revenue to the economic system; and to create good society and promote good images of Thailand. One measure to attract foreign producers to Thailand is a 15% return for any crew who spend at least Baht 50 million, plus extra 3% on top for any crew who fire Thai staff in key positions. In addition, another 2% will be returned to any crew who work on promoting good image of Thailand as specified by the Thai authority. All these measures became effective around early 2017.



- **Advertising Industry**

Neilson Thailand reported that 2016 ad spending in Thailand contracted by 12%YoY, this figure represented the deepest contraction in 10 years. The biggest contraction was seen in 4Q16 due to economic slowdown, consumption slowdown and impacts of the mourning period when advertising was suspended during October to November 2016. In 2017, the ad spending is expected to be allocated to incumbent TV channels, digital TV channels, cable TV/satellite TV channels. Meanwhile, the online media continued to expand as operators spent huge budget on online advertising. These operators include those in the telecom sector, the automotive sector, and the consumption sector. The key challenges for advertising include ways to create experience, encourage participation of clients, create two way communication between operators and clients and clearly evaluate the success. Online media could response these key challenges quite well; therefore, operators shifted to spending more ad budge on online media. Note, however, that the budge for online advertising is not as much as that for TV ads; therefore, revenue from rental equipment services from this market remained rather small. The Company needed a lot of work volume in order meet revenue targets from this market.

## **2. Competition**

- **Pricing:** Amid the slowdown in the industry, The price competition was very intense, resulting in a large number of discounts in order to attract more clients. The competition was not limited within domestic peers but include competitors from China, India, and Europe. These operators could cut down the prices significantly if the shooting period was long.
- **Equipment:** New digital equipment and new models designed to help facilitate work continued to be introduced and such new equipment is in high demand. Hence, each operator has to continue investing in new equipment in a prompt manner. An operator who could not supply any items required by clients, the clients may choose other operators instead.
- **Customer relation:** Companies who serve regular big clients in the long term have more chances to provide service for production teams of big films on a regular basis. The Company's service is widely accepted among foreign clients. This big client base could help pave the way for the Company to attract more potential clients.

## 2 TV program production business

### Service Details

The Company's TV program production business is operated in two formats: i) the Company subleases broadcast timeslots from the TV stations for its own TV programs and ii) the Company is hired by the TV station to produce TV programs (i.e., the Company provides TV program production service). From this business, the Company gains revenue from selling commercial timeslots for promoting products/services during the programs and from production revenue.

The Company's programs are as follows:

#### Game shows

Game shows allow participants to play games and win the prizes. The Company's game shows focus both on useful information and entertainment. Knowledge and interesting ideas are also presented in the programs, reflected by program participating guests' special abilities or program hosts' interviews. In 2016, the Company presented one game show as follows

- "Plod Nee" is a game show presenting both knowledge and entertainment with content focusing on the society. Regarding the program style, guests are invited to demonstrate their special abilities. If they successfully achieve the program's rules, they debts will be settled by the program producer. The program focuses on offering assistance to those in financial trouble. Through guests' special abilities, the program presents useful information, knowledge, as well as interesting ideas.



## Market and Competition

### 1. Industry Overview

- Advertising Industry

#### Ad spending during 2015–2016

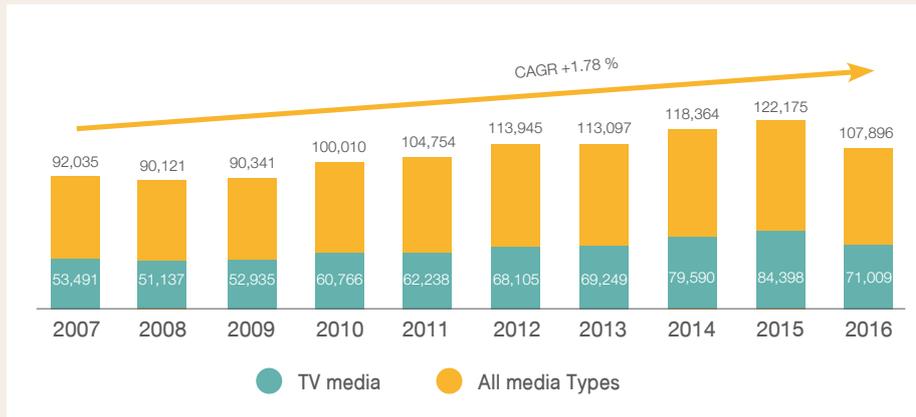
Media Type	2015 (Baht: Million)	2016 (Baht: Million)	Growth (%)
<b>TV</b>	<b>84,398</b>	<b>71,009</b>	<b>-15.86</b>
Analog TV	57,412	47,121	-17.92
Cable TV/ Satellite TV	6,055	3,495	-42.28
Digital TV	20,931	20,393	-2.57
<b>Newspapers</b>	<b>12,323</b>	<b>9,843</b>	<b>-20.12</b>
<b>Cinemas</b>	<b>5,133</b>	<b>5,445</b>	<b>6.08</b>
<b>Radio</b>	<b>5,675</b>	<b>5,262</b>	<b>-7.28</b>
<b>Magazines</b>	<b>4,268</b>	<b>2,929</b>	<b>-31.37</b>
<b>Outdoor</b>	<b>4,190</b>	<b>5,665</b>	<b>35.20</b>
<b>Transit</b>	<b>4,486</b>	<b>5,311</b>	<b>18.39</b>
<b>In-Store</b>	<b>645</b>	<b>700</b>	<b>8.53</b>
<b>Internet</b>	<b>1,058</b>	<b>1,731</b>	<b>63.61</b>
<b>Total</b>	<b>122,175</b>	<b>107,896</b>	<b>-11.69</b>

Source : Nielsen Media Research



Due to the continued fluctuation in economy and domestic situations, the advertising spending in 2016 amounted to Baht 107,896 million, down by 11.69% versus Baht 122,175 million in 2015. The ad spending through cable TV/satellite TV showed the biggest drop of 42.28%, followed by the drop in ad spending through magazines and newspapers at -31.37% and -20.12%, respectively. The overall ad spending through TV channels fell by 15.86%. Meanwhile, the ad spending through Internet media showed the biggest increase of 63.61%.

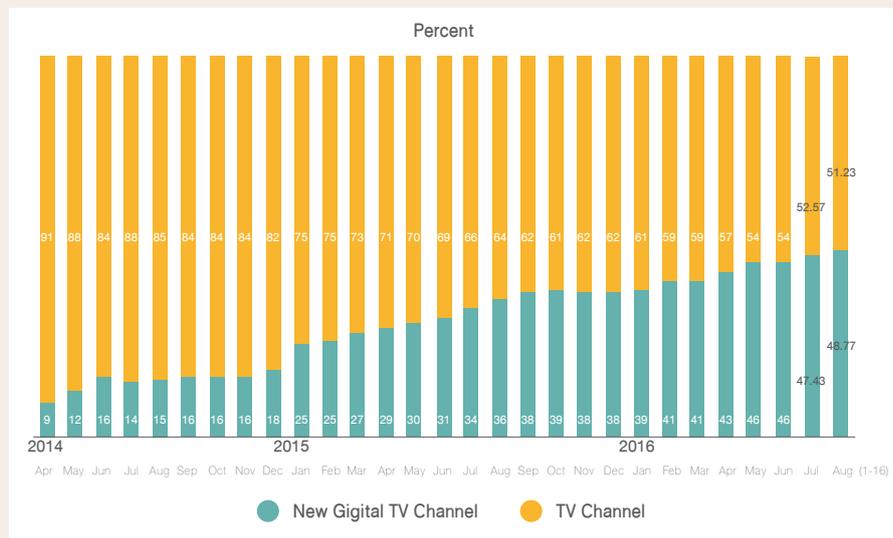
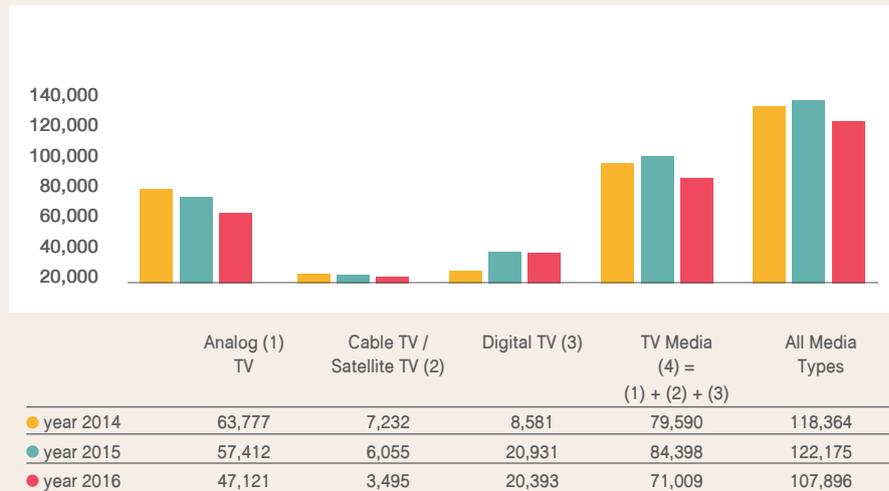
**Ad spending in Thailand during 2007 – 2016 (Baht: Million)**



- **Television (TV)**  
 In 2016, TV remained the major media type, including both analog TV channels with incumbent channels (3,5,7,9) and digital TV channels (22 new channels) as well as cable TVs. The total value of ad spending through TV was Baht 71,009 million, accounting for 65.81 of the total, representing the biggest porting when comparing with other media channels.



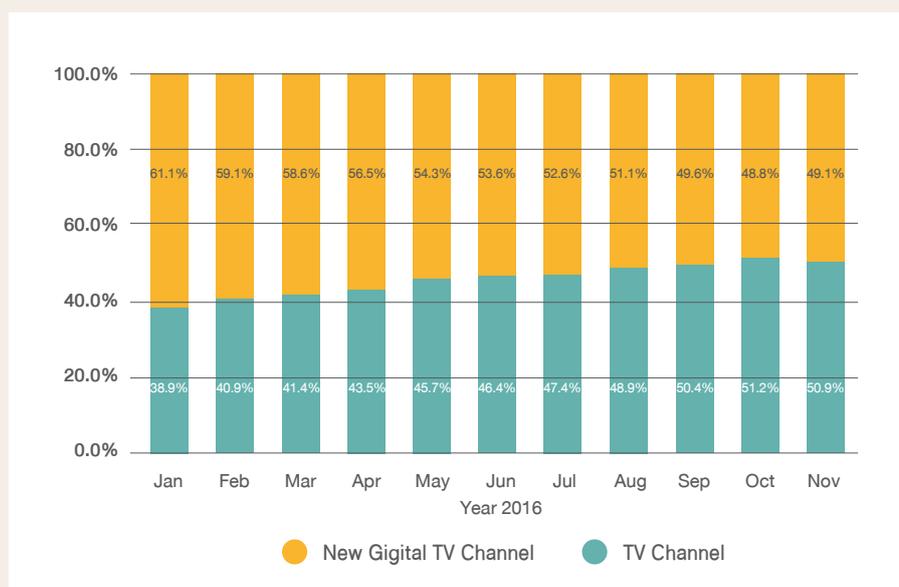
## Ad spending in TV media types & All media types during 2014 – 2016



SOURCE : REPORT ABOUT BROADCASTING AND TV BUSINESS

TV digitals have gained more audience shares. Regarding the growth of digital TV, since it commenced operation in April 2014, the audience share was at 9%, so it meant that the audience share expanded more than five times within over two years. The industry growth showed an upward trend due to competition from new players and content producers who try to create interesting content to attract people, both for the mass market and niche markets. The content presentations were different according to expertise of each TV channel that tried to attract viewers. Some focused on dramas, live broadcast of popular sports and some presented some content with new techniques to present the difference for viewers.

## The Audience Shares of incumbent TV Channel And New Digital TV Channel



Source : NBTC

In terms of audience shares of incumbent TV channels and new digital TV channels during January to November 2016, it was found that from September 2016 onwards the audience share of digital TV increased at a larger degree than that of incumbent TV channels. In November 2016, breakdown between the audience shares of the incumbent TV channels and that of the new digital TV channels stood at 49.1%: 50.9%. This shows that the audience share for digital TV channels has been on the uptrend and this trend tends to continue in the future.

## 2. Competition

Consumers have used more and more online media, for communication, content views, and online shopping (online shopping platforms have become more popular). Therefore, the corporate sector tends to spend more advertising budget through online media. Online video advertising is quite similar to TV advertising in terms of presentation styles and motions. However, online video advertising has advantages over TV advertising in terms of lower cost, unlimited duration and more specific access to target audience. In addition, online advertising comes with varieties of ways to present the advertising, e.g., sponsored still images placed anywhere on screen or motion figures that people can view or skip what they want or do not want to view. The online advertising can also be set at the beginning, during or after online videos. Kasikorn Research Center views that the corporate sector tends to spend more ad spending on online video platform and this platform will have more influence on TV competition environment. Meanwhile, the increasing number of digital TV channels will cause ad spending to be allocated more to digital TV channels while the ad rates remains modest when compared to analog TV. Due to this trend, TV operators will see more challenges in 2017 and digital TV operators will try to adjust their strategies to present more content online in order to keep up with the changing consumer behaviors currently.

### 3 Printing Business

The printing business is operated by a firm under the Company's umbrella. The firm produces and distributes magazines and pocket books. However, due to the changing technology to the digital era, consumers tend to read newspapers and magazines less and less. Therefore, the printing industry has apparently been experiencing the deterioration. This can be evidenced by the ad spending through "newspapers" in 2016 that was down by 20.12%; meanwhile, the ad spending through "magazines" dropped by 31.37% YoY. Consequently, the Company decided to sell the copyrights of magazines and pocket book.

### 4 Post- production business Service Details

The Company also engages in post-production services for feature films and commercials. The production of feature films or commercials is done in three steps:

1. Pre-production
2. Production
3. Post- production

Post-production is the final step before project completion, either for feature films or 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 in various media.

#### Market and Competition

##### 1. Industry Overview

- Post-production house industry

In the past, the number of big players in the post-production house industry was rather small due to high cost; however, the number of operators has increased recently as prices of equipment and software have declined. More small and medium post-production houses were opened, separating from large ones.

##### 2. Competition

Unlike in the past when there were only large post-production houses, as a number of smaller post production houses has increases, the competition has also become more intense, especially in the mid to low segment where price has become common. Hence, the post-production revenue per one project declined by 40%.



## 5 TV Commercial Production

### Service details

The Company's production house operation is divided in three categories:

1. The Company produces TV commercials to promote goods or services or to convey messages from clients to their targeted customers. The commercials last 15, 30, 45, 60 seconds or longer. Different commercials are presented in different styles, depending on the creativity of advertising agencies and production houses' ability to convey the intended messages and concepts to viewers.
2. The Company also offers revision works for old TV commercials to match the changes and new demand from clients. The Company also sells its past commercials to clients who want to keep or publicize more of their commercials. This service is rather limited as it depends mainly on clients' demand.
3. The Company also provides services for international production crew who come to shoot commercials or movies at various locations across Thailand. The services cover feasibility study, advisory about shooting locations in Thailand and neighboring countries, cost projection and control for the entire production project, recruitment of crew members as well as post production services, e.g., editing rooms, and editing crew, and etc.

## Market and Competition

### 1. Industry Overview

- Production House Industry

At present, there are many players in the production house industry due to the trend that more producers and directors resigned from full-time positions at big production houses to operate their own production houses. To elaborate, producers and directors, the major figures in the industry, tend to run their own smaller production houses, instead of working for big production houses. Some people work only on a freelance basis. As a result, the number of producers and directors in big production houses has become smaller while small production houses have seen a growing number of producers and directors. Consequently, the market has experienced intense competition but production house market gains have been better flexibility.

- Advertising Industry

The details on the advertising industry can be obtained from TV Program Production bussines, item : Market and competition.

### 2. Competition

The ad spending in the entire advertising industry in 2016 dropped by 11.69% YoY and the ad spending through TV channels in the same year declined by 15.86%. Given the weak domestic purchasing power, in 2016 the toe-ten ad spenders showed negative ad spending figure. These included operators in the an-alcoholic drinks, telecom, skincare diary, leisure, and retail sectors. However, the tourism sector was the only sector whose ad spending growth remained unchanged given the support from the authority. While some top advertisers, e.g., Uniliver, Toyata, Dtac, Coca Cola and Izusu, some continued to spend on advertising, e.g., AIS, P&G, Wizard Solutions, and Nesle.

## 6 Studio Rental Business

The studio rental business, i.e., The Studio Park (Thailand) is located at a plot of 216 rai of land in Bangbo Sub-district, Samutprakan province. The project is expected to commence operation by the beginning of the second quarter of 2017.



## Service Details

There will be five studios available for rent, as the following details:

Two small studios: 20x30x12 meters

Two medium studios: 30x40x12 meters

One large studio: 40x60x14 meters

Major project functions are as follows:

- Acoustic Design for international standard sound proof system (“NC 25”)
- Practical Design for structure that can support high weight
- Spacious space to serve shooting activities for production teams both from Thailand and overseas
- Production Convenience: provisions of a number of facilitators such as dressing rooms, recreation rooms, conference rooms, VIP rooms and etc.: Inside the studios there will be two VIP lounges (VIP Lounge A and Lounge B) to welcome VIP clients. At Lounge B there will be windows overseeing ongoing activities inside the studio and there will Real Time facilities at VIP Lounges. In addition, there will be buildings for equipment storage, a kitchen and large car park areas to support a large number of production teams.

Moreover, there will be outdoor area for rent:

- Backlot: Vacant space for unlimited outdoor setting
- T Lot: Area between building that can create walking ways, small alleys where cars are needed for the setting
- Lake
- Natural canal
- Warehouse: Vacant warehouse with beautiful structure suitable for shooting films or commercials or take pictures or produce game shows or even for resting area

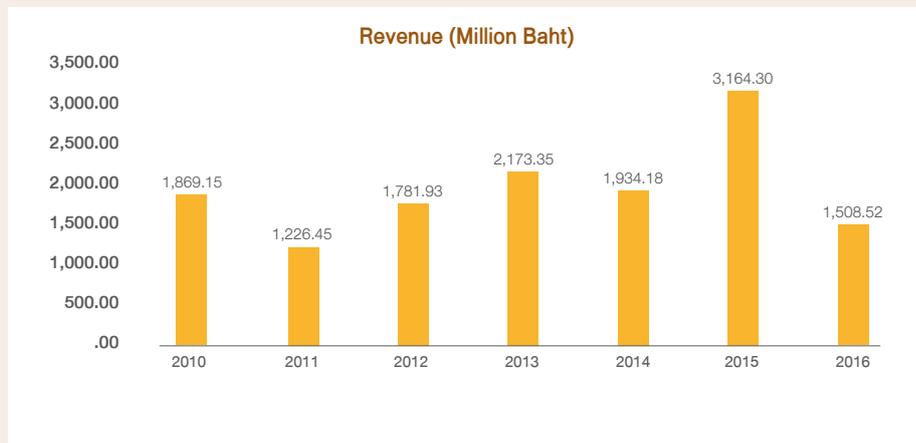


## Market and Competition

### 1. Industry Overview

According to the Film Office, the figure of revenue from the foreign movies shooting in Thailand during 2010 to 2016 showed that the revenue in 2015 was the largest, with the amount of Baht 3,164.30 million from 724 projects. In 2016 (the data as of 11 July 2016) the revenue from this segment stood at Baht 1,508.52 million from 605 projects. By country, Japanese, European, and Indian crew (respectively) came to film in Thailand with the biggest number of products. Most of the projects were commercials, documentaries and feature films. It can be seen that there is still some demand from foreign crew who want to come to shoot in Thailand. If there are stimulus measures from the government, the business segment will expand further.

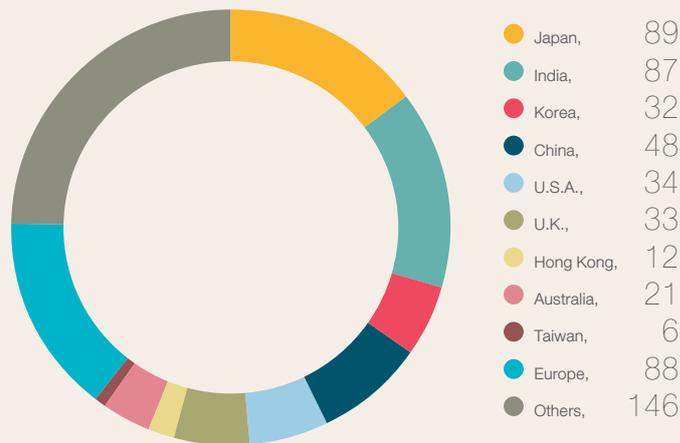
- **Revenue from foreign projects shot in Thailand during 2010–2016**



As at July 11, 2016



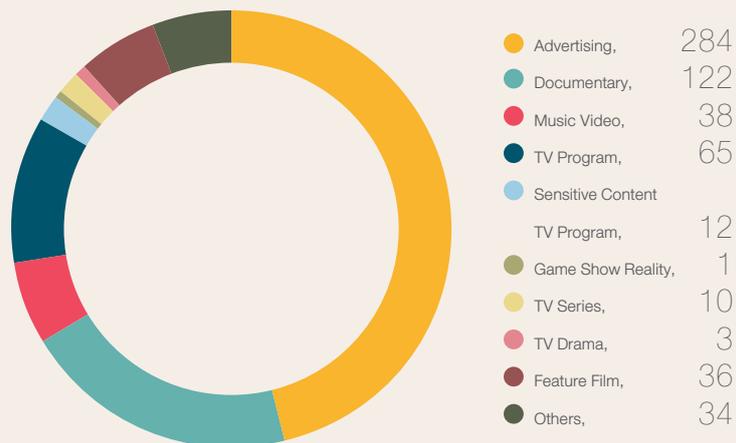
- **Number of foreign movies shot in Thailand in 2016 classified by countries**



**Source:** <http://www.tourism.go.th>

As of 11 July, 2016

- **Revenue from foreign projects shot in Thailand in 2016 classified by types**



**Source:** <http://www.tourism.go.th>

As of 11 July 2016

## 2. Competition

The Studio Park (Thailand) is the only international standard studio in Thailand. The project is equipped with acoustic design for international standard sound proof system (“NC 25”). Therefore, the Studio Park (Thailand) has more advantages over competitors in terms of quality of products and service. This service, coupled with the equipment rental service for which the Company has had expertise for 20 years, will enable the Company to be ready to provide services to clients, covering all aspects.

# • Risk Factors •

## **Business Operation Risks**

The Company's core businesses are equipment rental services, TV program production, post production business, TV commercial production, and studio rental business. Each business sees different risk factors, which can be discussed below.

### **Equipment Rental Business**

#### **Risks in regard to the changes in technology and obsolete equipment**

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

#### **Risks in regard to investment in equipment and unpopular equipment**

To provide equipment rental services, the Company has to highly and continuously invest in new equipment. If it turns out that the invested equipment does not satisfy the clients, the Company will see some risks and unable to break even and gain returns from such investment. Nonetheless, when deciding to invest in new equipment, the Company has to take into account clients' needs and demand by preliminarily surveying the clients' preference. The Company analyzes the profitability outlook of an asset before deciding to invest in such asset. The Company has recently invested in Studio Park project, which is the company's new project that includes rental service of international standard studio. The project also includes a warehouse for keeping rental equipment. The project will enable the Company to promptly and conveniently provide integrated service to clients, reducing transportation cost. The project will prompt clients to rent additional equipment all the time. Hence, the Company is confident that its rental assets will generate hefty revenue with accelerating return rates.

### **TV Program Production**

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

Risks seen in TV program production include 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, 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 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.

#### **Risks in regard to ad spending stead to other media with smaller instead of TV media**

Currently, the ad spending trend is transforming from the ad spending through analog TV (free TV) 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 service. However, data suggest that analog TV media and digital media remain the most popular media for ad spenders, which means that the two media types still capture the biggest market shares as they can reach 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 continued to develop the content and present content varieties of both existing programs and potential programs in accordance with consumers' changing behaviors.

#### **Risks in regard to operators' limited ad budget**

The current economic slowdown as well as various unfavorable factors has negatively impacted consumers' purchasing power, which in turn result in 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 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 more advertising through various media channels. Should the economy recover, operators will become more confident in ad spending; this will ultimately help to boost ad spending growth.

#### **Post- production business**

##### **Risks 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 recently as prices of equipment and software have declined, resulting in higher competition. Nonetheless, despite a larger number of post- production houses, some houses are unable to serve clients' 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.

### **Risks in regard to dependence on human resources**

Post-production business requires highly-skilled personnel with solid expertise and experience in order to create reputation and gain credibility from clients. Hence, the Company has skillful personnel who have 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 major shareholder of this business is a key man overseeing this business, who is ready to push forward the business and continue to produce high quality works.

### **TV Commercial Production**

#### **Risks in regard to shortage of qualified personnel**

As the Company changed its service from a commercial producer to be an agency for TV commercial production projects, the major roles and responsibilities include coordinating, providing personnel, equipment and seeking locations. The major production functions are performed by freelancers. Hence, the Company may see some risks if it is unable to recruit freelancers, and this may affect the Company's revenue and earnings performance. However, the Company and its subsidiaries have good relationship with many experienced personnel in the industry and most of them worked with the Company before. In addition, the management of the Company and its subsidiaries consists of those with high experience and those widely respected by people in the industry. Therefore, the Company is confident that it is able to recruit personnel to work on its TV commercial production projects.

#### **Risks in regard to relocation of TV commercial production base**

The Company provides facilitation services for international production crew who come to shoot commercials or movies at various locations across Thailand. The services cover feasibility study, advisory about shooting locations in Thailand and neighboring countries, cost projection and control for the entire production project, recruitment of crew members as well as post production services. Risks in regard to this business include the possibility that foreign crew decide to choose other countries instead of Thailand. However, this possibility is quite slim given that the production cost in Thailand is relatively lower than other countries and there are many good locations across the country. In addition, when Company's Studio Park project is finished, it will enable the Company to provide integrated services, including international standard studio, suitable locations and a warehouse equipped with rental equipment to be offered to foreign crew, with convenience and lower transportation cost. Also, the Company has effective teams widely accepted among Southeast Asian customers. Furthermore, its post-production service is also an alternative for clients. Hence, the Company is confident that foreign clients will continue to choose services provided by Thai operators.

### **Studio Rental Business**

#### **Risks in regard to funding sources and liquidity**

The Studio Park project requires high construction cost and huge relevant expenses. However, the Company already conducted a feasibility study of the project as well as securing financing sources from a financial institution. Hence, the Company is confident on funding and liquidity. Once this project is completed, it is expected to generate steady recurring income for the Company.

### **Risks in regard to inability or failure to attract clients as targeted**

Possible risks may cause the project development to fail to yield profits and 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, once completed, the Studio Park will enable the Company to be the first provider of rental studio under the NC 25 International Standard. Moreover, the Company will also provide state-of-the art equipment, attracting production crew. This helps to 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. Therefore, the Company is confident that its Studio Park project will gain positive feedbacks from domestic and international film producers.

### **Management Risks**

#### **Risks in regard to having the only major shareholder influencing management policies**

As of 31 December 2016, the major shareholder, BBTV Production, held 54.18 % 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 approval from BBTV, even though other shareholders may see opportunities to raise the corporate value. Being well aware of this issue, the Company follows the 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.

#### **Risks 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 compete with one of the Company's businesses. However, although the two companies are held by the same shareholder, management and employees of the two companies are separated. Although both companies produce TV programs, the types and presentation styles of the programs are different. In addition, they run other different businesses. It should also be noted that TV program production is just one of the Company's businesses. In the future, the Company will focus 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 and Dividend Policy •

### Ordinary Shares

As of 31 December 2016, the Company's registered capital amounted to Baht 781,629,851 for the total ordinary shares of 781,629,851 shares, at a par value of Baht 1.00. The paid-up capital amounted to Baht 644,028,952 for the total ordinary shares of 644,028,952 shares, at a par value of Baht 1.00.

### 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 17 February 2017 were as follows:

Name of Shareholders	Shareholding	Percentage of Paid-up Capital
1. BBTV Production Co., Ltd <sup>/1</sup>	348,956,717	54.18
2. Klongprakit Group	45,033,600	6.99
2.1 Mr. Vinai Klongprakit	21,689,100	3.37
2.2 Miss. Rarisa Klongprakit	11,357,200	1.76
2.3 Miss. Risara Klongprakit	6,874,500	1.07
2.4 Mrs. Vipa Klongprakit	4,010,400	0.62
2.5 Mr. Virat Klongprakit	830,000	0.13
2.6 Miss. Rattana Klongprakit	203,400	0.03
2.7 Mrs. Punnee Klongprakit	69,000	0.01
3. Mongkholsapaya Group	11,750,096	1.82
3.1 Mr. Panumas Mongkholsapaya	11,683,428	1.81
3.2 Mr. Kitchai Mongkholsapaya	65,468	0.01
3.3 Mr. Pinyo Mongkholsapaya	1,200	0.00
4. Mr. Vera Supattaratid	10,700,000	1.66
5. Mr. Chatchavan Piyapraphanphong	10,324,137	1.60
6. Karavawattana Group	7,548,000	1.17
6.1 Mr. Chayawat Karavawattana	3,835,800	0.60
6.2 Mrs. Areewun Karavawattana	1,814,100	0.28
6.3 Mr. Chaipong Karavawattana	1,145,000	0.18
6.4 Mr. Chaiphath Karavawattana	753,100	0.12
7. Tantimate Group	7,197,700	1.12
7.1 Mr. Thawat Tantimate	6,847,700	1.06
7.2 Mr. Thanitlek Tantimate	350,000	0.05

Name of Shareholders	Shareholding	Percentage of Paid-up Capital
8. Mr. Pornchai Ariyaratopas	5,298,400	0.82
9. Mr. Vichit laorsathirakul	5,200,000	0.81
10. Dr. Prasarn Kaemakongkanon	5,000,000	0.78
<b>Toltal</b>	<b>457,008,650</b>	<b>70.96</b>

Note <sup>/1</sup> BBTV Production is a group of companies managing Channel 7, consisting of 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 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 of money and that the amount of dividend paid must not significantly affect the Company's core business. Meanwhile, its subsidiaries do not have a policy to commit a minimum dividend payout but the dividend policy at each subsidiary depends on performance and needs for capital.

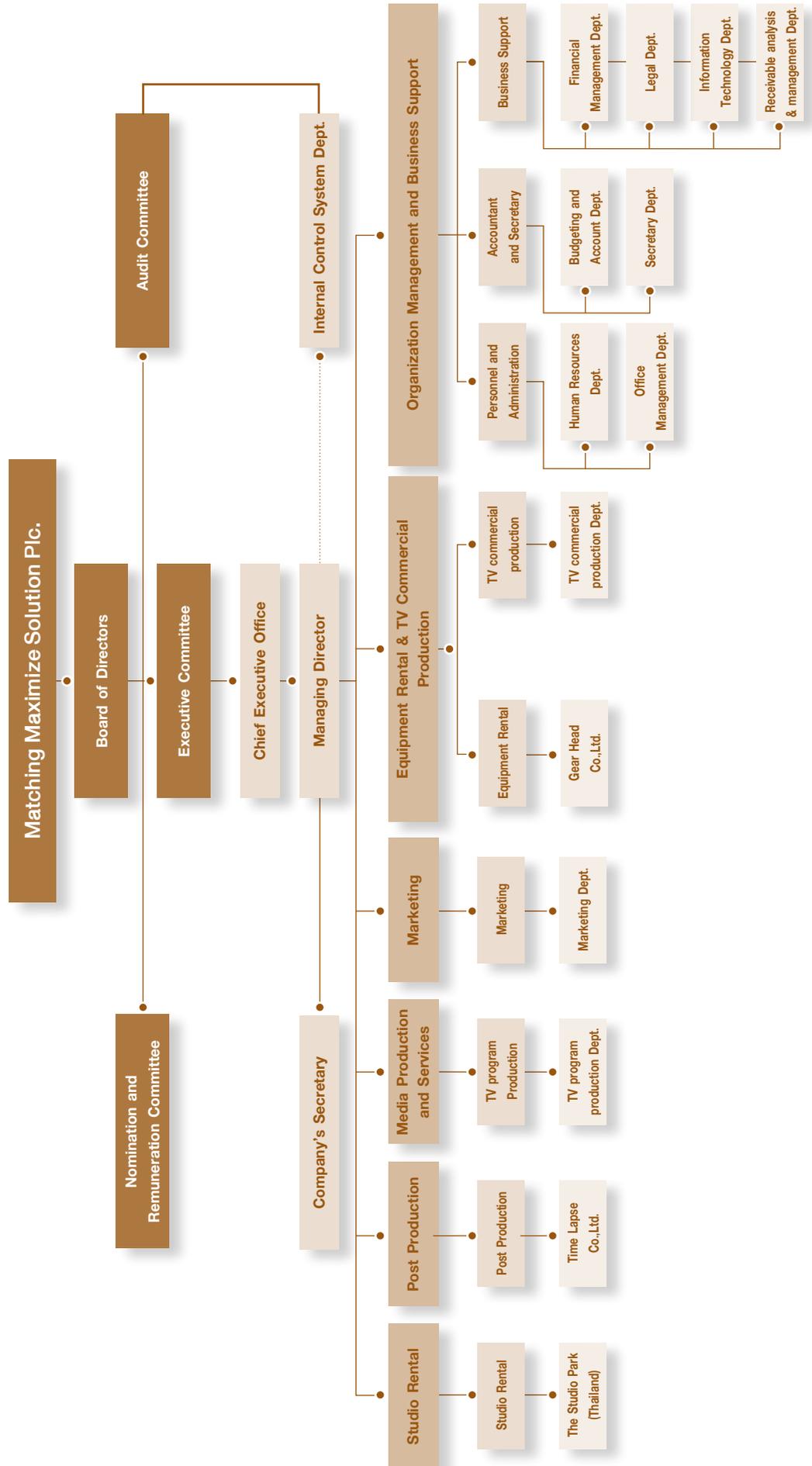
### Five-year-historical dividend payment

Year	2011	2012	2013	2014	2015
Earnings per share	0.05	0.23	0.20	0.06	(0.09)
Dividend per share	0.09	0.06	0.10	0.055	-
Dividend Payout (%) ***	160.22	26.61	60.06	99.58	-

Note \*\*\* Earnings in 2011 were the amount after the adjustment in 2013

The ratio was based on the consolidated financial statement

# • Management Structure •



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

### The Board of Directors

As of 31 December 2016, the Board of Directors consisted of the following nine members:

Name	Position	2016 meetings	
		Total Meetings	Number of Attendance
1. Mr.Somrit <sup>/1</sup>	Srithongdee Chairman	12	12
2. Mr.Poomchai <sup>/1</sup>	Wacharapong Director	12	11
3. Mr.Somboon	Cheewasutthanon Director	12	12
4. Mr.Pattanapong <sup>/1</sup>	Nuphan Director	12	12
5. Mr.Sansrit <sup>/1</sup>	Yenbamrung Director	12	11
6. Mr.Nuttawit <sup>/1</sup>	Boonyawat Director	12	11
7. Mr.Akarat	Na Ranong Independent Director And Chairman of Audit Committee	12	11
8. Mr.Nuttawut	Phowborom Independent Director and Member of Audit Committee	12	6
9. Mr.Kamol	Ratanachai Independent Director and Member of Audit Committee	12	12

Note <sup>/1</sup> Representative of BBTV Production Co., Ltd. (of which Channel 7 is a major shareholder)

#### 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 to 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; purchases or transfers of other company's business; and amendments of the letters of memorandum or articles of association, and etc.
3. Appoint 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 business of the Company under the Board of Directors' supervision; to 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 matters 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 31 December 2016, the Company's management consisted of ten members as follows:

Name		Position
1. Mr.Poomchai	Wacharapong	Chief Executive Officer
2. Mr.Somboon	Cheewasutthanon	Managing Director
3. Mr.Thanitsaphong	Sasinmanop	Senior Executive Vice President Group of Advertising Production Services and Renting of Equipment
4. Mr.Wiroj	Bunsirirungruang	Senior Executive Vice President Group of Organization Management and Business Support
5. Mrs.Siripen	Sasinmanop	Executive Vice President Group of Advertising Production Services and Renting of Equipment
6. Mr.Natpatsakorn	Jankhod	Senior Vice President Office Management Dept. and Human Resources Dept.
7. Mrs.Ladawan	Khumsap	Senior Vice President Budgeting and Account Dept.
8. Miss.Usa	Wannamolee	Senior Vice President Finance Dept. ,IT Dept., Legal Dept. and AR Dept.
9. Mr.Chatchai	Thaowongsa	Senior Vice President Marketing Dept.
10. Mr.Sarawut	Kaewpradap	Senior Vice President Production Dept.

#### 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 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 Baht 15,000,000 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 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.

#### Scope of duties and responsibilities of the Managing Director

1. Manage the Company's normal business operation
2. Carry out operation according to the Company's business policies, business plans, and business strategies approved by the Board of Directors
3. Authorize or assign any other individuals under an approval of the Managing Director to perform duties on behalf of the Managing Director in some necessary and appropriate matters under the Managing Director's 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. Perform and approve employment or acceptances of projects or binding agreements in the Company's normal business operation within a limit of Baht 10,000,000 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.

The abovementioned authorities assigned to the Managing Director must be under the laws, rules, and regulations related to the Company's business. In a case where the Managing Director may enter into counter-parties benefits or may involve conflicts 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 Managing Director shall have no authority to approve such case. The Managing Director 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.

### **Company's Secretary**

The Board of Directors appointed Mr.Wiroj Bunsirungruang as the Company's secretary, effective from 25 January 2008.

### **Remuneration for Directors and Management**

#### **Cash remuneration**

In 2016, the remuneration was carefully determined by the meetings of the Nomination and Remuneration Committee. The following amounts of remuneration were unanimously approved by 2016 Annual General Meeting of Shareholders held on 27 April 2016.

#### **Monthly remuneration**

##### Board of Directors

Chairman	60,000	Baht
Directors	30,000	Baht

##### Sub-committees

Chairman	30,000	Baht
Committee member	20,000	Baht

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 receive remuneration for the position of director as well.

#### a) Directors' remuneration

In 2016, the remuneration of directors consisted of meeting allowances was followed:

Names	Position	Remuneration Amount (Baht)				
		Directors	Executive Committee Members	Audit Committee Member	Nomination and Remuneration Committee	Total
Mr.Somrit Srithongdee	Chairman of Board of Directors and Chairman of Nomination and Remuneration Committee	720,000	-	-	360,000	1,080,000
Mr.Poomchai Wacharapong <sup>/1</sup>	Director and Member of Chief Executive Office	360,000	-	-	-	360,000
Mr.Somboon Cheewasutthanon <sup>/1</sup>	Director and Member of Chief Executive Office	360,000	-	-	-	360,000
Mr.Pattanapong Nuphan	Director and Member of Executive Committee	360,000	240,000	-	-	600,000
Mr.Sansrit Yenbamrung	Director and Member of Executive Committee	360,000	240,000	-	-	600,000
Mr.Nuttawit Boonyawat	Director and Member of Executive Committee	360,000	240,000	-	-	600,000
Mr.Akarat Na Ranong	Independent Director and Member of Audit Committee	360,000	-	360,000	-	720,000
Mr.Nuttawut Phowborom	Independent Director, Member of Audit Committee, and Member of Nomination and Remuneration Committee	360,000	-	240,000	240,000	840,000
Mr.Kamol Ratanachai	Independent Director, Member of Audit Committee, Member of Nomination and Remuneration Committee	360,000	-	240,000	240,000	840,000
Mrs.Siripen Sasinmanop <sup>/1</sup>	Member of Executive Committee	-	-	-	-	-
Mr.Wiroj Bunsirirungruang <sup>/1</sup>	Member of Executive Committee	-	-	-	-	-
Mr. Montri Yoosomboon <sup>/1</sup>	Member of Executive Committee	-	-	-	-	-
<b>Total</b>		<b>3,600,000</b>	<b>720,000</b>	<b>840,000</b>	<b>840,000</b>	<b>6,000,000</b>

Note <sup>/1</sup> Five members of Executive Committee refrained from receiving the meeting allowance in 2016 in order to take management responsibility.

(b) 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 2016, the Company and its subsidiaries paid remuneration consisting of salaries and bonuses to a total of 11 management members for the total amount of Baht 41.01 million.

**Other benefits**

- 1) The Company established a provident fund, with the employees' contribution of three percent of their total income during the first five years 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. 2558. In 2016, the Company's contribution for 11 management members totaled of Baht 1.19 million.
- 2) Other benefits included medical allowances, annual medical check-up, life insurance premiums for the total of Baht 0.52 million.

**Personnel**

In 2016, the Company and its subsidiaries had a total of 555 personnel, with the total benefit packages amounting to Baht 33.06 million, including salaries, overtime payment, bonuses, medical allowance, contributions to the provident fund, life insurance premium and etc. Moreover, the subsidiaries paid the similar personnel remuneration of Baht 85.45 million and paid compensation for employees at Baht 9.78 million.

Total Employees (Person)

As of 31 December 2016	TV program production	Equipment Rental Service	Studio Rental	Post production
Management	5	-	1	-
Supervisors	15	39	2	2
Operation	47	435	3	6
<b>Total</b>	<b>67</b>	<b>474</b>	<b>6</b>	<b>8</b>

## • Detail of the Board of Director •

Detail of the Board of Director, the executive and the Authorized Persons and Secretary the Company as of 31 December 2016

Name-Last Name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Working Experience		
					Period	Position	Company
<b>1. Mr.Somit Srithongdee <sup>1)</sup></b> - Chairman of the Board - Chairman of Nomination and Remuneration Committee	67	<ul style="list-style-type: none"> <li>• Master's Degree of Public Administration, Chulalongkorn University</li> <li>• Certificate, Roles of Compensation Committee (2007) : IOD</li> <li>• Certificate, Director Certification Program (2008) : IOD</li> <li>• Certificate, Financial Statements for Directors : IOD</li> </ul>	-0-	None	2010 - Present	- Chairman of the Board Of Director	Matching Maximize Solution PCL.
					2013 - Present	- Chairman of Nomination and Remuneration Committee	
					2015 - Present	- Chief Executive Officer	HR Pro Guard Co.,Ltd.
					2010 - Present	- President	
					2010 - Present	- Chairman	HR Professional Consulting and Services Co.,Ltd.
<b>2. Mr.Poomchai Wacharapong <sup>1)</sup></b> - Director - Chief Executive Officer - Chairman of the Executive Committee	58	<ul style="list-style-type: none"> <li>• Master (Economics) North Texas State University, U.S.A.</li> <li>• Certificate, Senior Executive Program (SEP) , Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>• Certificate, Director Certification Program (2008) : IOD</li> <li>• Certificate, Roles of the Chairman Program (2008) : IOD</li> </ul>	-0-	-None-	2010 - 2012	- Human Resources Consultant	Bangkok Broadcasting and Television Co.,Ltd.
					2009 - Present	- Independent Director and Audit Committee	Eastern Star Real Estate PCL.
					Jan 2014-Present	- Director	Matching Maximize Solution PCL.
						- Chief Executive Officer	
						- Chairman of the Executive Committee	
	Mar 2015-Present	- Director	Baansuay Group (Surathani)				
	July 2014-Present	- Director	Time Lapse Co.,Ltd.				
	Feb 2014-Present	- Director	Transformation Film Co.,Ltd.				
	Feb 2014-Present	- Director	Book Maker Co.,Ltd.				
	Feb 2014-Present	- Director	The Studio Park (Thailand) Co.,Ltd.				
	Feb 2014-Present	- Director	Gear Head Co.,Ltd.				
	Feb 2014-Dec 2016	- Director	Matching Studio Plus Co.,Ltd.				
			Matching Entertainment Co.,Ltd.				

Name-Last Name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Working Experience		
					Period	Position	Company
2. Mr. Poomchai Wacharapong <sup>†1</sup> (cont'd)					Jun 2016–Present	- Advisor	HR Professional Consulting & Service Co.,Ltd.
					Jan 2014–May 2016	- Director	TV Digital HR Co.,Ltd.
					Aug 2013– 2016	- Director	Airpack (Thailand) Co.,Ltd.
					Dec 2012–May 2015	- Chairman	Grand Lran Luang Co.,Ltd.
					Oct 2010–Present	- Director	Bank of Ayudhya PCL.
					Apr 2012–Dec 2013	- Senior Banker	
					Jan 2009–June 2012	- Credit Committee Member	
					June 2007–Feb 2010	- Executive Committee Member	
					June 2007–June 2012	- Risk Management Committee Member	
					Jan 2007–Mar 2012	- Head of SME Banking	
					May 2005–Dec 2013	- First Executive Vice President	
					Feb 2012–Present	- Director	Matching Maximize Solution PCL.
					Feb–June 2012	- Executive Committee	
Nov 2011–Feb 2012	- Managing Director						
June 2010–Nov 2011	- Chairman of the Executive Committee						
2002–Mar 2010	- Senior Executive Vice President (Group of Business Affiliate)						
	- Senior Executive Vice President (Group of Business Support)						
	- Director						
	- Senior Executive Vice President (Group of Business Support)						
3. Mr. Somboon Cheewasutthanon <sup>†1</sup>	50	<ul style="list-style-type: none"> <li>Bachelor of Accountancy Finance, University of the Thai Chamber Of Commerce</li> <li>Certificate, Director Accreditation Program (2005) : IOD</li> <li>Certificate, Director Certification Program (2011) : IOD</li> </ul>	0.06%	- None-	Feb 2012–Present	- Director	Matching Maximize Solution PCL.
- Director	- Executive Committee						
- Executive Committee	- Managing Director						
- Managing Director	- Chairman of the Executive Committee						
	- Senior Executive Vice President (Group of Business Affiliate)						
	- Senior Executive Vice President (Group of Business Support)						
	- Director						
	- Senior Executive Vice President (Group of Business Support)						

Name-Last Name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Working Experience		
					Period	Position	Company
<b>3. Mr.Somboon Cheewasutthanon<sup>n</sup></b> (cont'd)					July 2014–Present	- Director	Time Lapse Co.,Ltd.
					2003–Present	- Director	Book Maker Co.,Ltd.
					2003–Sep 2014	- Director	Matching Movie Town Co.,Ltd.
					2003–Jan 2014	- Director	Goody Film BKK 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.
					2008–Present	- Director	Matching Maximize Solution PCL.
						- Executive Committee	
<b>4. Mr.Pattanapong Nuphan<sup>n</sup></b> - Director - Executive Committee	51	<ul style="list-style-type: none"> <li>MA in Sociology Thammasat University</li> <li>Certificate, Director Certification Program : IOD</li> <li>Certificate, Director Accreditation Program : IOD</li> </ul>	-0-	-None-	Jun 2016–Present	- Director	Bangkok Broadcasting & TV Co.,Ltd.
					Apr 2016– Jun 2016	- Assistant Managing Director	
						- Assistant Managing Director	
						- Acting Manager, Office of the Executive Director	
					Jan 2016–Mar 2016	- Assistant Managing Director	
						- Acting Manager, Office of the Executive Director	
					Mar 2015–Dec 2015	- Assistant Managing Director	
					Apr 2012–Present	- Director	Razofish & Partner Co.,Ltd.
					2009–Present	- Director	BBTV New Media Co.,Ltd.
						- Director	Matching Maximize Solution PCL.
<b>5. Mr.Sansrit Yenbammung</b> - Director - Executive Committee	58	<ul style="list-style-type: none"> <li>Master of Business Administration in International Trade University of Texas at Sul Ross, U.S.A</li> </ul>	-0-	-None-	Apr 2014–Present	- Executive Committee	
					Feb 2015–Present	- Chairman	Home Sukhumvit Co.,Ltd.
						- Director	
					Apr 2014–Present	- Director	Media Studio Co.,Ltd.
					Aug 2013–Present	- Chairman	TV DIGITAL HR Co.,Ltd.
						- Chief Executive Officer	
					Dec 2004–Present	- First Executive Vice President	Bank of Ayudhya PCL.
					Sep 2002–Nov 2004	- Executive Vice President	
					Sep 2002–Present	- Chief Executive Officer	Krungsri Ayudhya AMC Co.,Ltd.

Name-Last Name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Working Experience		
					Period	Position	Company
<b>6. Mr.Nuttawit Boonyawat</b> - Director - Executive Committee	54	<ul style="list-style-type: none"> <li>• Master of Science Abilene Christian University Texas, USA.</li> <li>• Certificate, Senior Executive Program (SEP) , Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>• Certificate, Director Accreditation Program (2005) ; IOD</li> </ul>	-0-	-None-	Apr 2014–Present	- Director	Matching Maximize Solution PCL.
						- Executive Committee	
					Feb 2015–Present	- Director	Home Sukhumvit Co.,Ltd.
					2015–Present	- Advisor to the President	Bank of Ayudhya PCL.
						- Chief Executive Officer	
					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						
2007–2010	- First Executive Vice President						
	- Corporate Credit Risk Division,						
	- SME Credit Risk Division						
Apr 2015–Present	- Director	Eastern Star Real Estate PCL.					
Aug 2013–Present	- Director	TV Digital HR Co.,Ltd.					
Oct 2010–Present	- Director	Grand Lam Luang Co.,Ltd					
Nov 1997–Present	- Director	K.S.Fortune Co.,Ltd.					

Name-Last Name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Working Experience		
					Period	Position	Company
7. <b>Mr. Akarat Na Ranong</b> - Independent Director - Chairman of the Audit Committee	62	<ul style="list-style-type: none"> <li>• Master's Degree, Business Administration (Management), Marshall University, USA.</li> <li>• Certificate, Audit Committee Program (2004) : IOD</li> <li>• Certificate, Director Accreditation Program (2007) : IOD</li> <li>• Certificate, Role of the Compensation Committee (2007) : IOD</li> <li>• Certificate, Director Certification Program (2013) : IOD</li> <li>• Certificate, Leader Program, Capital Market Academy (Class 6) (2008)</li> </ul>	-0-	-None-	2010-Present	- Independent Director	Matching Maximize Solution PCL.
					2015-Present	- Chairman of the Audit Committee	KPN Academy Co., Ltd.
8. <b>Mr. Nuttawut Phowborom</b> - Audit Committee - Independent Director - Nomination and Remuneration Committee	51	<ul style="list-style-type: none"> <li>• Master of Business Administration (MBA), General Management , City University, Seattle ,WA,USA.</li> <li>• Certificate , Director Accreditation Program (2004) : IOD</li> <li>• Certificate , Audit Committee Program (2005) : IOD</li> <li>• Certificate , Role of the Compensation Committee (2008) : IOD</li> </ul>	-0-	-None-	2013-Present	- Nomination and Remuneration Committee	Matching Maximize Solution PCL.
					2010-Present	- Independent Director	
					2015-Present	- Chairman	Wind Energy Holding Co., Ltd.
					2015-Present	- Director	KPN Healthcare PCL.
					2014-Present	- Vice Chairman	KPN Academy Co., Ltd.
					Apr 2013 -Present	- Independent Director	Finansa PCL.
						- Audit Committee	
					2011-Present	- Independent Director	Thai Air Asia Co., Ltd.
						- Audit Committee	

Name-Last Name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Working Experience		
					Period	Position	Company
<b>8. Mr. Nuttawut Phowborom</b> (cont'd)					2011–Present	- Independent Director - Audit Committee	Asia Aviation PCL.
					2002–Present	- Group Chief Executive Officer - Chief Financial Officer	KPN Group Corporation Co.,Ltd.
					1998–Present	- Executive Director	KPN Music Co., Ltd.
					2003–2012	- Audit Committee	Prasit Pattana PCL.
					2003–2012	- Independent Director - Chairman of the Remuneration Committee	Phayathai Hospital 1,2,3
<b>9. Mr. Kamol Ratanachai</b>	50	<ul style="list-style-type: none"> <li>Master of Business Administration (MBA) , Bangkok University</li> <li>Certified Internal Auditor (CIA) , The Institute of Internal Auditor U.S.A.</li> <li>Certificate, Director Accreditation Program (2008) : IOD</li> <li>Certificate, Audit Committee Program (2009) : IOD</li> <li>Certificate, Successful Formulation &amp; Execution of Strategy (2012) : IOD</li> <li>Certificate, How to Measure the Success of Corporate Strategy (2013) : IOD</li> <li>Certificate, Anti-Corruption : The Practical Guide (2015) : IOD</li> <li>Certificate , Director Accreditation Program (2016) : IOD</li> </ul>	-0-	-None-	2013–Present	- Nomination and Remuneration Committee	Matching Maximize Solution PCL.
- Independent Director					2010–Present	- Independent Director - Audit Committee	
- Audit Committee					June 2015– Present	- Head of Internal Audit	KPN Academy Co., Ltd.
- Nomination and Remuneration Committee					July 2014– Present	- Independent Director	Time Lapse Co., Ltd.
					May 2014–Present	- Independent Director - Audit Committee	Eastern Power Group PCL.
					July 2012–Present	- Independent Director	Gear Head Co., Ltd.
							Book Maker Co., Ltd.
							The Studio Park (Thailand) Co.,Ltd.
					July 2012–Dec 2016	- Independent Director	Matching Studio Plus Co, Ltd
							Matching Entertainment Co.,Ltd.
					July 2012–Sep 2014	- Independent Director	Matching Movie Town Co., Ltd.
					July 2012–Jan 2014	- Independent Director	Goody Film BKK Co., Ltd.
					2011–Present	- Independent Director	Sriacha Constuction PCL.

Name-Last Name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Working Experience		
					Period	Position	Company
9. Mr. Kamol Ratanachai (cont'd)					2011-Apr 2014	- Audit Committee - Independent Director	Eastern Printing PCL.
					2013-May 2015	- Independent Director - Senior Vice President Head of Internal Audit	Secondary Mortgage Corporation
10. Mr. Montri Yoosomboon - Executive Committee	50	<ul style="list-style-type: none"> <li>Lighting System Training Course, Mole Richardson Co.,Ltd, USA</li> <li>Maintenant Training Course, Cinematograph Lenses from Cooke Optic factory (England)</li> <li>Lens Maintenant Training Course, Carl Zeiss Factory Co.,Ltd., Germany</li> <li>Camera Maintenant Training Course, Ari Factory, Germany</li> <li>Vocational Certification Phitsanulok Technical College</li> <li>Certificate ,Director Certification Program (2011) : (IOD)</li> </ul>	0.00%	Brother of Mrs. Siripen Sasinmanop	Dec 2015-Present	- Executive Committee	Matching Maximize Solution PCL.
					Aug 1997-Present	- Director	Gear Head Co.,Ltd.
11. Mr. Thanisaphong Sasinmanop - Senior Executive Vice President	59	<ul style="list-style-type: none"> <li>Honorary Degree of Technology Major Photography and Cinematography Technology, Faculty of Mass Communication Technology, Rajamangala University of Technology Thanyaburi</li> </ul>	0.50% <sup>g</sup>	Husband of Mrs. Siripen Sasinmanop	1996-1997	- Camera Technician Specialist	Birn and Sawyer Co.,Ltd. Hollywood, California USA
					1996	- Lens Specialist	Focus Optics, Burbank, California, USA
11. Mr. Thanisaphong Sasinmanop - Senior Executive Vice President	59	<ul style="list-style-type: none"> <li>Honorary Degree of Technology Major Photography and Cinematography Technology, Faculty of Mass Communication Technology, Rajamangala University of Technology Thanyaburi</li> </ul>	0.50% <sup>g</sup>	Husband of Mrs. Siripen Sasinmanop	1990-1996	- Head of Camera Department and Training Department	Camera Corner Co.,Ltd.
					1989-1990	- Camera Technician	Siam Studio Co.,Ltd.
11. Mr. Thanisaphong Sasinmanop - Senior Executive Vice President	59	<ul style="list-style-type: none"> <li>Honorary Degree of Technology Major Photography and Cinematography Technology, Faculty of Mass Communication Technology, Rajamangala University of Technology Thanyaburi</li> </ul>	0.50% <sup>g</sup>	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	
11. Mr. Thanisaphong Sasinmanop - Senior Executive Vice President	59	<ul style="list-style-type: none"> <li>Honorary Degree of Technology Major Photography and Cinematography Technology, Faculty of Mass Communication Technology, Rajamangala University of Technology Thanyaburi</li> </ul>	0.50% <sup>g</sup>	Husband of Mrs. Siripen Sasinmanop	2002-Oct 2011	- Senior Executive Vice President (TV Commercial)	
					2002-2010	- Director	

Name-Last Name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Working Experience		
					Period	Position	Company
<b>11. Mr. Thanisaphong Sasinmanop</b> (cont'd)					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.
					2001-Oct 2012	- Director	Fatman and Little Boy Co.,Ltd.
					Apr 2014-Present	- Executive Committee	Matching Maximize Solution PCL.
					Mar 2014-Present	- Senior Executive Vice President (Organization Management and Business Support)	
					2002-Feb 2014	- Executive Vice President (Organization Management and Business Support)	
					2002-Mar 2010	- Director	
<b>12. Mr. Wiroj Boonsirunruang</b> - Executive Committee - Senior Executive Vice President (Organization Management and Business support) - Secretary the Company	49	<ul style="list-style-type: none"> <li>• Master of Accounting Thammasat University</li> <li>• Certificate, Director Certification Program (2005) : IOD</li> <li>• Certificate, Director Accreditation Program (2005) : IOD</li> <li>• Certificate, Company Secretary Program (2011) : IOD</li> </ul>	0.02%	-None-	July 2014-Present	- Director	Time Lapse Co.,Ltd.
					2003-Present	- Director	Book Maker Co.,Ltd.
							The Studio Park (Thailand) Co.,Ltd.
							Gear Head Co.,Ltd.
					2003-Dec 2016	- Director	Matching Studio Plus Co.,Ltd.
					2003-Sep 2014	- Director	Matching Entertainment Co.,Ltd.
					2003-Jan 2014	- Director	Matching Movie town Co.,Ltd.
					2003-Jan 2014	- Director	Goody Film BKK Co.,Ltd.
					Apr 2014-Present	- Executive Committee	Matching Maximize Solution PCL.
					Nov 2011-Present	- Executive Vice President (Services and Renting of Equipment)	
<b>13. Mrs.Stripen Sasinmanop</b> - Executive Committee - Executive Vice President (Services and Renting of Equipment)	62	<ul style="list-style-type: none"> <li>• Management Development Program Thammasat University</li> <li>• Certificate, Director Certification Program (2011) : IOD</li> <li>• Certificate, Director Accreditation Program : IOD</li> </ul>	0.11 % <sup>1/2</sup>	Wife of Mr. Thanisaphong Sasinmanop And Sister of Mr.Montri Yoosombtoon	2002-July 2012	- Director and Executive Committee	

Name-Last Name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Working Experience		
					Period	Position	Company
<b>13. Mrs.Siripen Sasinmanop</b> (cont'd)					2003-Sep 2014	- Director	Matching Movie Town Co.,Ltd.
					2003-Jan 2014	- Director	Goody Film BKK Co.,Ltd.
					2002-Present	- Director	The Studio Park (Thailand) Co.,Ltd.
					2002-Dec 2016	- Director	Matching Studio Plus Co.,Ltd.
					1999-Present	- Director	Matching Entertainment Co.,Ltd.
					1994-Present	- Director	Gear Head Co.,Ltd.
					2004-Nov 2012	- Director	Matching Television Co.,Ltd.
<b>14. Mrs.Ladawan Khumsap</b> - Senior Vice President	49	• Master of Accounting Thammasat University	0.02%	- None-	2013-Present	- Senior Vice President	Matching Maximize Solution PCL.
					2005-2012	- Vice President Accounting and Budgeting Dep.	
<b>15. Mr.Naipatsakorn Jankhod</b> - Senior Vice President	45	• BBA Ramkhamhaeng University	0.01%	- None-	2013-Present	- Senior Vice President of Office Management Dep. and Human Resource Dep.	Matching Maximize Solution PCL.
					Sep 2007-2012	- Vice President	
					June-Aug 2007	- Purchase Officer	
					Apr 2004-May 2007	- Human Resource Officer	
<b>16. Miss.Jsa Wannamolée</b> - Senior Vice President	55	• Master of Business Administration Ramkhamhaeng University	-0-	- None-	Mar 2014- Present	- Senior Vice President of Finance Dep. , IT Dep Legal Dep.and AR Dep.	Matching Maximize Solution PCL.
					Feb 2014	- Branch Manager Map Ta Phut	Bank of Ayudhya PCL.
					Jan 2013-Jan 2014	- Branch Manager Central Festival Pattaya Beach	
					Feb 2007-Dec 2013	- Branch Manager Chachoengsao	

Name-Last Name / Position	Age (years)	Education	Percentage of Shareholding	Relationship with the other Executive	Working Experience		
					Period	Position	Company
<b>17. Mr. Sarawut Kaewpradap</b> - Senior Vice President	41	<ul style="list-style-type: none"> <li>Bachelor Degree of Arts (Mass Communication) Ramkhamhaeng University</li> </ul>	-0-	-None-	June 2015–Present	Senior Vice President of TV Production Dep.	Matching Maximize Solution PCL.
					Sep 2010–May 2015 Jan 2001–Sep 2010	Manager of TV Production Dep. Senior Producer of TV Production Dep.	
<b>18. Mr. Chatchai Thaowongsa</b> - Senior Vice President	47	<ul style="list-style-type: none"> <li>Bachelor Degree of Business Administration Ramkhamhaeng University</li> </ul>	-0-	-None-	June 2015–Present	Senior Vice President of Marketing Dep.	Matching Maximize Solution PCL.
					Nov 2003–May 2015	Manager of Marketing Dep.	

Note <sup>1/</sup> Directors whose signature can bind the Company

<sup>2/</sup> Including shares held by spouse and minor children (as of February 17, 2017)

\*\* In 2016, Matching Broadcast Co., Ltd. change name to "The Studio Park (Thailand) Co.,Ltd."

# • 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 31 December 2016, the Executive Committee was comprised of the following eight members

	Name	Position
1.	Mr.Poomchai Wacharapong	Chef Executive Office
2.	Mr.Pattanapong Nuphan	Member of Executive Committee
3.	Mr.Sansrit Yenbamrung	Member of Executive Committee
4.	Mr.Nuttawit Boonyawat	Member of Executive Committee
5.	Mr.Somboon Cheewasutthanon	Member of Executive Committee
6.	Mrs.Siripen Sasinmanop	Member of Executive Committee
7.	Mr.Wiroj Bunsirirungruang	Member of Executive Committee
8.	Mr. Montri Yoosomboon	Member of Executive Committee

### 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.
- Control and oversee the Company's business policies, business plans, business strategies as well as earnings performance of the subsidiaries.

4. Be authorized to approve the borrowing or credit applications to finance the Company's normal business operation and also to act as a guarantor when taking out some loans: the Executive Committee is also responsible for making any payments to smooth out Company's normal business operation. The credit approval per transaction shall not exceed Baht 20,000,000 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 2016, the Audit Committee comprised the following three independent members.

Name		Position
1. Mr.Akarat	Na Ranong	Chairman of Audit Committee
2. Mr.Nuttawut	Phowborom	Director and Member of Audit Committee
3. Mr.Kamol	Ratanachai	Director and Member of Audit Committee

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, Managing Director 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 25 January 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 2016 the Nomination and Remuneration Committee consisted of three members

Name		Position
1.	Mr.Somrit Srithongdee	Chairman of Nomination and Remuneration Committee
2.	Mr.Nuttawut Phowborom	Member of Nomination and Remuneration Committee
3.	Mr.Kamol Ratanachai	Member of Nomination and Remuneration Committee

## 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, Managing Director, 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 Managing Director, 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 Managing Director, 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 Managing Director, 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, and/or Managing Director.
- 4.4 Complete succession plans for Chief Executive Officer and/or Managing Director 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) Having 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 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 impendent 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, 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.

- **Operational Control of the subsidiaries and affiliates**

Matching Maximize Solution Plc. 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. Submit a report informing that the management who is aware of significant internal information (that may result in the change of the share price) shall 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 Baht 2,200,000 in 2016.

2. **Non-Audit Fee**

The Subsidiary paid the non-audit fee to the audit office of the authorized auditor amounting Baht 10,000 in 2016.

- **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, enhance its competitiveness and create the highest returns to shareholders and all related parties in the long term. The Company completes and always updates the good corporate governance principle to be in compliance with the regulations of the Stock Exchange of Thailand, which are classified into five categories, with the details followed.

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 treat stakeholders fairly and work with honesty and transparency for the benefits of the Company. The work of Board of Directors, management, employees can be scrutinized.

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

## 1. The rights of shareholders

Shareholders have the rights as the owners of the company. They have the right to attend the Company's shareholder meetings that can determine the directions of the Company. The shareholders can make decisions about important matters in the shareholder meeting. The shareholder meetings are thus very important stages for the shareholders to raise questions and opinions as well as making decisions. Thus, they have the right to attend the meeting and be allocated sufficient time to consider and acknowledge related matters.

In every shareholder's meeting, the Company's policy requires the Chairman of the Board of Directors, Directors, Chief Executive Officer and Managing Director to attend the meeting. The chairman of the meeting shall allow shareholders to have the opportunity to make enquiries, express their opinions and suggestions to the directors in order to create the same understand and subsequent improvement. The minutes of meeting shall be recorded and approved by the Directors and sent to shareholders for approval in the next meeting.

## 2. Equal Treat to Stakeholders

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 shareholders 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. In 2016, the Company held the Annual General Meeting of Shareholders on 27 April 2016 at Rajdamnern Hall, Royal Princess Lanluang Hotel, No. 269, Lanluang Rd, Pomprab, Bangkok. In addition, the Company also held Extraordinary Shareholder Meeting No 1/2016 on 7 September 2016, at Rajdamnern Hall, Royal Princess Lanluang Hotel, No. 269, Lanluang Rd, Pomprab, Bangkok. The meeting agenda was disclosed for the shareholders' review on the company's website within the day that the Board of Directors approved the meeting agenda so that all shareholders had a chance to review the details about the meeting as well as the meeting agenda prior to the meeting. 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 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. The Company appointed Thailand Securities Depository Co., Ltd. as the Company's registrar.

When the Company is about to arrange a shareholder meeting, it submits 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 seven 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 including the Chairman of the Board of Directors 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.

The matters to be carried out at an annual general meetings 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 remuneration for the auditor
- 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.
- 2) 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 meetings; this can be done on a case - by - case basis.

### 3. Roles of stakeholders being taken into account

The Company realizes the rights of all stakeholders and has policies to appropriately treat the stakeholders including shareholders, employees, management, customers, business partners, creditors, commodity and society in order to create full cooperation amongst the stakeholders in various groups. This in turn leads the Company's operations to go well and stably and ensures that all stakeholders are treated fairly. The directors shall disclose some non-financial information to show proof that the Company is well considerate towards all stakeholders when making any decisions associated with the Company's operational guidelines. In addition, the Company also clearly indicates the groups of shareholders and specifies the degrees of importance for each stakeholder group in order to prevent possible mistakes.

#### *Responsibilities to Shareholders*

The Company is committed to effectively running the business and ensuring the shareholders' greatest satisfaction, taking into consideration its long-term growth and appropriate returns. The Company is also determined to operate business in a transparent manner and disclose the financial position as well as the Company's earnings performance or general information. The information is transparent, accurate, reliable and equal. To comply with such principles, the Company had set forth the following guidelines:

- Management and all employees shall perform duties with honesty and fairness to every shareholder.
- The Company's business is managed with full knowledge, managerial skills, and careful decision making.
- The Company accurately discloses its operating results as well as reporting its financial status to shareholders in accordance with regulations specified by the Stock Exchange of Thailand.
- The Company shall not involve in any actions in a way that may cause conflicts of interests to the Company.
- No one in the Company seeks benefits for himself/herself or related parties by using the Company's information not yet disclosed to the public
- Confidential information must not be disclosed to outsiders, except for the cases that are required by the law

#### *Respect the rights of other stakeholders*

The Company is determined to treat other stakeholders fairly and ethically in order to ensure good relationship for business operation. Other stakeholders include management and employees, customers, business partners, creditors, competitors, related government agencies, the society. The Company does not give particular favor to particular people nor treat some people in unfair ways. The Company does not treat other stakeholders based on the personal relation. In addition, the Company treats other stakeholders regardless of their nationalities, races, religion or gender. In particular, the Company puts a great emphasis on responsibilities to the society and communities. The Company's major duty to the society is to create and support activities that are useful to the communities and society. By contrast, the Company does not do or support any activities that are either against the law or damage the image of the country, the natural resources and environment and the actions that might threaten the society and the country's security. All stakeholders shall submit any clues of unfavorable, suspicious activities, complaints, suggestions and inquiries through letters, telephone (No. 02 669 4200-9 ) or email: info@matchingstudio.com. All of these matters comments shall be forwarded to departments in charge for further procedure or improvement.

#### 4. Responsibilities of Board of Directors

##### *Structure of the Board of Directors*

The Company's Board of Directors consists of nine directors who serve a service term of three years. Two of them are from the management while seven are not members of the management. 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 and regulation as well as the resolutions of the shareholder meetings in order to maintain the benefits of the shareholders. In addition, the Board of Directors should also monitor the management's performance to ensure that the established policy is achieved efficiently and effectively. This would not only increase the maximum economic values to the Company but also bring the most stable returns to 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 Baht 20 million while the Chief Executive Officer is authorized to approve the investment worth no more than Baht 15 million and the Managing Director has authority to approve the investment worth no more than Baht 10 million. 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 and Managing Director. The responsibilities in regard to corporate governance and regular management shall be separated so that the Company can operate business with transparency. The chances that of conflicts of interests may occur and particular persons hold too much power shall be at a minimum. Instead, there should be balanced power in the management level for maximum benefits to the Company and the shareholders.

##### *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;
  - Be careful, cautious and responsible when running business management;
  - 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

### *Sub-Committees*

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

- **Executive Committee**  
Company's Board of Directors selects eight 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 2016, there was one member of Audit Committee who passed the Director Certification Program No. 215/2016, which was conducted by the Thai Institute of Directors (IOD).
- **Nomination and Remuneration Committee**  
In 2013 the Board of Directors set the Nomination and Remuneration Committee, consisting of members who were not in the management and three of them were independent directors. The Committee has policies to set policies, rules and guidelines for nomination and selection of the Company's directors, sub-committees and management members. The Committee also sets the amounts of remuneration and benefits for directors and sub-committee members as well as 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 a 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, if the Company has larger business size and more complicated organization structure, 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 if 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. Normally, each meeting takes not less than two hours. In each meeting, the Chairman of the meeting allows each director to express his/her opinions freely. In 2015 there were 13 Board of Directors meetings, 11 Executive Committee meetings and six Audit Committee meetings, and one Nomination and Remuneration Committee meeting. In 2016, there were 12 Board of Directors' meetings, 11 Executive Committee meetings, six Audit Committee meeting and two Nomination and Remuneration Committee meetings. The details of each director's attendance are shown in the following table:

Name	Position	No. of the times with right to attend the meeting (time)							
		Board of Director		Executive Committee		Audit Committee		Nomination and Remuneration Committee	
		2015	2016	2015	2016	2015	2016	2015	2016
1. Mr.Somrit Srithongdee	Chairman of Board of Directors Chairman of Nomination and Remuneration Committee	13/13	12/12	-	-	-	-	1/1	2/2
2. Mr.Poomchai Wacharapong	Director and Chief Executive Officer	13/13	11/12	11/11	11/11	-	-	-	-
3. Mr.Somboon Cheewasutthanon	Director and Member of Executive Committee	13/13	12/12	11/11	11/11	-	-	-	-
4. Mr.Akarat Na Ranong	Independent Director and Chairman of Audit Committee	13/13	11/12	-	-	6/6	6/6	-	-
5. Mr.Nuttawut Phowborom	Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee	7/13	6/12	-	-	4/6	4/6	0/1	1/2
6. Mr.Kamol Ratanachai	Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee	13/13	12/12	-	-	6/6	6/6	1/1	2/2
7. Mr.Pattanapong Nuphan	Director and Member of Executive Committee Member	13/13	12/12	10/11	11/11	-	-	-	-
8. Mr.Nuttawit Boonyawat	Director and Member of Executive Committee Member	12/13	11/12	10/11	11/11	-	-	-	-
9. Mr.Sansrit Yenbamrung	Director and Member of Executive Committee Member	11/13	11/12	10/11	10/11	-	-	-	-
10. Mrs.Siripen Sasinmanop	Member of Executive Committee and Executive Vice President for Equipment Rental Business	-	-	11/11	11/11	-	-	-	-
11. Mr. Montri Yoosomboon <sup>/1</sup>	Member of Executive Committee	-	-	-	10/11	-	-	-	-
12. Mr. Wiroj Bunsirungruang	Member of Executive Committee and Senior Executive Vice President for Finance Department and Company's Secretary	-	-	10/11	11/11	-	-	-	-

Note <sup>/1</sup> Mr. Montri Yoosomboon was appointed as a member of Executive Committee on 21 December 2015.

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 set the Nomination and Remuneration Committee who determined the amounts of remuneration and benefits for directors and management members for the fiscal year 2016 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)

### *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 Audit Committee and the Chairman of the Board of Directors in a prompt manner.

### *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 environment that may change on a regular basis.

#### *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 communicate to all staff and management constantly to ensure their understandings and publish information for all employees on a regular basis.

#### Anti- Corruption Practices

Matching Maximize Solution Plc. became a member of PACT Network on 20 May 2015 in order to express its intention to act against any forms of corruptions. PACT Network is an organization consisting of members from different fields who like to act against corruptions. The Network was founded by Thaipat Institution and partners who see the importance of establishment of a particular area for operation against corruptions which is suitable for contexts of corporate organizations.

The Company set a business standard with transparency and will promote higher business ethical standard. Hence, it 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 conflicts of interest; 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.

In 2016, the Company made self-evaluation about anti-corruption standard designed by Thai Institute of Directors (IOD), based on the self-evaluation of Transparency International, which has been applied in Thailand. This evaluation form is aimed at enabling firms to assess their strengths, completeness, and effectiveness of anticorruption policies and procedure in order to develop and enhance the operation efficiency. Moreover, the Company conducted whistle blowing and also set up operational guidelines to protect employees who report some corruption clues based on the existing legal frameworks.

#### 5. Information Disclosure and Transparency

The Company's Board of Directors Company realizes the importance of disclosure of information that is accurate, adequate, transparent, reliable, widespread and prompt. Realizing that financial reports along with general information may have an impact on decision making of investors and stakeholders, the Company publishes information for investors, shareholders and public through the following channels:

- 1) The website of the Stock Exchange of Thailand (<http://www.set.or.th>) which includes
  - The Company's news
  - Annual Information Report (56-1 Form)
  - Financial statement (quarterly and annually)
  - Documents notifying resolutions of Board of Director's meetings and others
- 2) The website of Securities and Exchange Commission (<http://www.sec.or.th>)
- 3) The website of Ministry of Commerce ( <http://www.dbd.go.th> )
- 4) Newspapers
- 5) Company's website: <http://www.matchinggroup.com> and Company Visit/ One-on-One Meeting)
- 6) Analyst meetings
- 7) Press Meetings
- 8) Letters mailed to shareholders

Moreover, to disclose accurate, adequate, and transparent information, the Company set up the Investor Relations Department to effectively provide the information, news and activities of the Company to investors, analysts, shareholders and other third parties. In addition, the Investor Relation Department also provides efficient services to shareholders, enhancing the Company's credibility and image. Investors are welcomed to contact the Company's Investor Relation Department by the telephone numbers 0-2669-4200-9 or e-mail to [investor@mmsbangkok.com](mailto:investor@mmsbangkok.com)

# • Corporate Social Responsibility •

The Company operates its business, based on the relevant laws as well as the code of ethical business with an emphasis on the right of all groups of stakeholders. Details of 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. The work procedure is as follows:

- In terms of purchasing and recruiting, the Company chooses operators or contractors, taking into account of equality and fairness. No special favor is given to any particular individual or company to ensure fair competition.
- The Company has a policy against any activities that involve in infringement of intellectual property or copyrights.

## 2. Respect of human rights

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

## 3. Treat employees with fairness

Being well aware that manpower is a key factor that can enable the Company to enhance its potential and successfully reach its business goals, the Company treats employees with fairness. In light of this, the following policies were announced:

- Recruitment policies
  - Be against any practices of labor forcing; not collect money or keep employees' identification documents unless required by law;
  - Support and respect the protection of human rights, e.g., against labor forcing, against child labor and etc.
  - Make payment of wages and remuneration in Thai Baht currency at the rates not less than what specified by law; not deduct employees' remuneration, 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;
  - Provides safe and hygienic workplace as well as necessary healthcare facilities

- Personnel policies
  - 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 relation among employees.
  - Employment, appointments, transfer, remuneration and benefits of employees are based on fairness and facets.
  - Safety is also another key issue. It's the Company's responsibility in creating working environment that is safe for employees' lives and their properties. 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.

#### **4. 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 that are safe for consumers and environment.

- The Company presents TV programs that not only focus on entertainment and profit but also include useful information, assisting and creating good opportunities for people in communities and thus benefiting society in the future.
- The Company provides quality services and support clients' need with fairness. For example, the Company produces works or offers services based on the terms and conditions stated in the contracts, with high quality and standard being taken into account.
- The Company keeps clients' information at safe places and does not disclose such information to outsider unless it is allowed by clients.

#### **5. Preserve environment**

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

#### **6. Development of community and society**

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

### **Prevention of Corruption Involvement**

- In May 2015 the Company became a member of PACT Network; this was the first step for the Company to express its intention to act against any forms of corruptions. Furthermore, the Company is preparing to push forward prevention of corruptions to a higher degree. The Company set a business standard with transparency and will promote higher business ethical standard. Hence, it announced an anti-corruption policy aimed at tightening internal control measures and preventing corruption practices.
- In 2016, the Company continued to operate about anti-corruption practices by making self-evaluation about anti-corruption. (See more details from Corporate Governance).

## • *Internal control and risk management* •

- **Board of Directors' opinions about the internal control system**

According to the Board of Directors' meeting No 2/2017 held on 22 February 2017 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 aimed at assessing the adequacy of the internal control system based on the evaluation form of the Securities and Exchange Commission. Five key elements of the internal control system are 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 used for wrongly seeking benefits by particular individuals.

- **Head of Internal Audit Department and Head of Corporate Governance**

The Audit Committee Meeting on 14 December 2012 No. 5/2012 appointed Mr. Chinawat Masrangsang as an acting director of the internal audit and system development department and a secretary to the Audit Committee, effective from 14 December 2012. Mr. Chinawat Masrangsang possessed five-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. Mr. Chinawat Masrangsang had good understanding about the Company's activities and operation. The Audit Committee thus regarded him as a qualified person to take responsibilities for the position. Note that to consider appointing, removing and transferring the head of the internal audit department is subject to approval of the Audit Committee. The details of qualification of the head of the internal audit department are included in Additional Note 3.

## • Connected Transactions •

The details connected transactions during 2015 and 2016 are as follows:

Persons with possible conflicts of interest/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2015	2016	
<p><b>Bangkok Broadcasting &amp; TV. Co. Ltd. (BBTV")</b></p> <p><u>Nature of Business</u> Manage Channel 7</p> <p><u>Relationship with the Company</u></p> <ul style="list-style-type: none"> <li>- Being an indirect major shareholder (holding 30 % of shares in BBTV Production, which is the Company's major shareholder)</li> <li>- Mr. Pattanapong Nuphan, the Company's director, holds a director position in BBTV.</li> </ul>	<p><u>Event Organizing</u></p> <p>ME (subsidiary) acted as an event organizer for BBTV. The firm organized various events including LPGGA Charity Night 2015, Young Model 2015, 7 Seesan Kan-eng 2015, Mega Bangna Absolute Denim and etc.</p> <ul style="list-style-type: none"> <li>- Service Revenue</li> </ul>	6.98	1.85	<p>ME acted as an event organizer for BBTV, which was the Company's core business. The service rate was based on the cost plus profit, similar to the rate charged to outsiders. Payment conditions were set according to normal business practices.</p> <p><u>Comments of the Audit Committee</u></p> <p>The service was the Company's core business. The service rate was based on the cost plus profit and similar to the rate charged to outsiders. Payment conditions were set according to normal business practice. Hence, the transaction was necessary and justified.</p>
	<p><u>Subleasing the airtime</u></p> <p>The Company subleased the airtime from BBTV to broadcast its TV programs on Channel 7, which were "Plod Nee", "Kob Dek...Sang Ban", "Im Mee Pee Mun" and "Nice Kitchen"</p> <ul style="list-style-type: none"> <li>- Service Cost</li> </ul>	28.02	15.42	<p>The Company subleased the airtime from BBTV to broadcast its TV program on Channel 7. 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 accordance with the general trade practice.</p> <p><u>Comments of the Audit Committee</u></p> <p>The service was the Company's core business. The service rate and payment conditions were acceptable. Hence, the transaction was found necessary and justified.</p>

Persons with possible conflicts of interest/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2015	2016	
<p><b>BBTV News Media Co. Ltd. (“BBTVNM”)</b></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"> <li>- The Company’s director, Mr. Pattanapong Nuphan is also a director of BBTVNM.</li> <li>- BBTV, the indirect major shareholder of the Company, indirectly holds all shares of MMTVNM.</li> </ul>	<p><b><u>Provision of production service</u></b></p> <p>Application BM (a subsidiary) gained revenue from service about downloading magazines through an application.</p> <ul style="list-style-type: none"> <li>- Service Revenue</li> </ul>	0.002	-	<p>BM (The subsidiary) gained the profit share from magazine downloading service through an application from BBTVNM. This was a kind of application development service for BM, with the rate based on general trade terms.</p> <p><u>Comments of the Audit Committee</u></p> <p>The service supported BM’s core business and the service rate was based on the cost plus profit. The payment conditions were set in accordance with normal business practice. Hence, the transaction was necessary and justified.</p>
	<p><b><u>Program Development Fee</u></b></p> <p>BM (the subsidiary) hired BBTVNM to maintain BM’s three websites namely Cheese Plaza, Cheese Mag and Looker Mag.</p> <ul style="list-style-type: none"> <li>- Website</li> <li>- Deposit (Deposit for additional website development)</li> <li>- Other expenses</li> </ul>	0.01 0.14	- -	<p>BBTVNM developed and maintained websites, with the service charge rate and payment conditions based on normal business practice. Hence, the transaction was necessary and justified.</p> <p><u>Comments of the Audit Committee</u></p> <p>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 interest/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2015	2016	
		<p><b>BBTV News Media Co. Ltd. (“BBTVNM”)</b> (Cont'd)</p> <p><b><u>Website Development fee</u></b> MMS asked BBTVNM to develop and improve the website.</p> <ul style="list-style-type: none"> <li>- Administration expenses 0.11</li> <li>- Account Payable 0.01</li> </ul>		
<p><b><u>Website development and Website maintenance fee</u></b> Matching Broadcast (MB) asked BBTVNM to develop a website for The Studio Park.</p> <ul style="list-style-type: none"> <li>- Administrative expenses -</li> </ul> <p>Note: Matching Broadcast (MB) was renamed The Studio Park (Thailand) Co.,Ltd. (TSP).</p>		0.31	<p>BBTVNM developed and maintained the website, with the service rate and conditions based on normal rates for general business operation.</p> <p><u>Comments of the Audit Committee</u></p> <p>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 interest/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2015	2016	
<p><b>Media Studio Co., Ltd.</b>  <u>Nature of Business</u>  Production of news, entertainment programs, and dramas broadcast on Channel 7.</p> <p><u>Relation with the Company</u>  The Company's director, Mr. Sansit Yenbarmung is also a director for Media Studio Co., Ltd.</p>	<p><u>Co-production</u>  MMS co-produced "Seven Stars Prachanban" and "The Cover" programs</p> <ul style="list-style-type: none"> <li>- Service Revenue 8.00</li> <li>- Revenue from rental props 0.17</li> <li>- Service Cost 4.40</li> </ul>	-	-	<p>MMS engaged in TV program co-production with Media Studio Co., Ltd. for programs broadcast on Channel 7. 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>  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>Production of Channel 7 Entertainment Book</u>  BM (the subsidiary) produces Channel 7 Entertainment Book for Media Studio Co., Ltd.</p> <ul style="list-style-type: none"> <li>- Revenue from media sale and management -</li> </ul>		-	0.73	<p>Media Studio hired BM to produce Channel 7 Entertainment Book, which was a form of normal business operation. The service fee was calculated from cost plus profit. The payment conditions were set in accordance with normal business operation.</p> <p><u>Comments of the Audit Committee</u>  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 interest/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2015	2016	
		<p><b>HR professional Consulting and Service Co., Ltd (“HRP”)</b></p> <p><u>Nature of Business</u> Human Resource Services</p> <p><u>Relation with the Company</u> The Company’s director, Mr. Somrit Srithongdee is a director of HRP and Mr. Sansrit Yenbarmung is a Chief Advisor and Mr. Poomchai Wacharapong and Mr. Nuttawit Boonyawat are advisors to HRP.</p> <p>Note: HR professional Consulting and Service Co., Ltd was renamed “HR Pro and Service Security Co. Ltd.”</p>	<p><b><u>Service charge for security officers</u></b> MMS received the service from HRP who supplied security officers for the company.</p> <ul style="list-style-type: none"> <li>- Administration Expenses 1.88</li> <li>- Accrued expense (security service charge) 0.17</li> </ul>	
<p><b><u>Vehicle rental service fee</u></b> ME received vehicle rental service from HRP.</p> <ul style="list-style-type: none"> <li>- Administration Expenses 0.02</li> </ul>	-	<p>HRP provided vehicle rental services for the Company, with the service rates and conditions being in line normal rates in general business operation. Hence, the transaction was necessary and justified.</p> <p><u>Comments of the Audit Committee</u> The Company HRP to provide rental vehicles, instead of finding vehicles by itself. This helped facilitate the Company’s internal management. The service rate and payment conditions were set based on normal business practice. Hence, the transaction was necessary and justified.</p>		

Persons with possible conflicts of interest/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2015	2016	
HR professional Consulting and Service Co., Ltd ("HRP") (Cont'd)	<p><b><u>Service charge for security officers</u></b>            MB (the subsidiary) received the service from HRP who supplied security officers for the company.</p> <ul style="list-style-type: none"> <li>- Administration Expenses 0.65</li> <li>- Accrued expense (security service charge) 0.04</li> </ul>	0.53	0.04	<p>HRP supplied security officers for the subsidiary, 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>            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><b><u>Cleaning service fee</u></b>            Time Lapse (TL) (a subsidiary) received the service from HRP who supplied cleaners.</p> <ul style="list-style-type: none"> <li>- Administration Expenses 0.45</li> <li>- Accrued expenses (cleaner service charge) 0.04</li> </ul>	0.41	0.02	

Persons with possible conflicts of interest/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2015	2016	
<p><b>Transformation Film Co. Ltd.</b></p> <p><u>Nature of Business</u> Produce Thai films</p> <p><u>Relation with the Company</u> The Company's director, i.e., Mr. Phoomchai Wacharapong is also a director at Transformation Film Co. Ltd.</p>	<p><u>Hire MSP to produce films production</u> Transformation Film Co. Ltd. hired Matching Studio Plus (MSP) (the subsidiary) to produce films production.</p> <ul style="list-style-type: none"> <li>- Film production service revenue</li> </ul>	-	0.08	<p>Transformation Film Co. Ltd. hired Matching Studio Plus (MSP) (the subsidiary) to produce films production. This was the core business operation, with service rate being based on cost plus profit.</p> <p>The payment condition was based on the rates seen in normal business operation.</p> <p><u>Comments of the Audit Committee</u> This transaction supported the Company's core business operation and the service rate and payment conditions were based on normal business practices. Hence, the transaction was necessary and justified.</p>
<p><b>Mr. Somchai Cheerasuthanon</b></p> <p><u>Relation with the Company</u> The brother of Mr. Somboon Cheewasutthanon, the Company's director</p>	<p><u>Leasing premise</u> The Company leased the premise No. 305/5 Soi Sukhothai 6, Sukhothai Rd, Dusit, Bangkok, to use as the Company's office. The lease contract lasted six months.</p> <ul style="list-style-type: none"> <li>- Administration Expenses</li> </ul>	1.39	-	<p>The Company leased the premise from Mr. Somchai Cheewasutthanon to use as its office. The lease rate was appropriate compared with the rates for leased property nearby. The payment conditions were set in accordance with normal business practice, similar to the rates for outsiders. Hence, the transaction was necessary and justified.</p> <p><u>Comments of the Audit Committee</u> The transaction supported the Company's operation. The rate and the payment conditions were set in accordance with normal business practice. Hence, the transaction was necessary and justified.</p>

Persons with possible conflicts of interest/ Relationship	Transactions	Transaction Value (Baht: Million)		Necessity and Justification
		2015	2016	
<b>Mrs. Siripen Sasimmanop</b> <u>Relationship with the Company</u> Executive Vice President	<p><b><u>Leasing a building</u></b> 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.</p> <ul style="list-style-type: none"> <li>- Administration Expenses (Building lease expense)</li> </ul>	0.72	0.72	<p>GH leased the property from Mrs. Siripen Sasimmanop 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 outsiders. Hence, the transaction was necessary and justified.</p> <p><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.</p>
	<p><b><u>Leasing land</u></b> 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.</p> <ul style="list-style-type: none"> <li>- Administration Expenses (Land lease expenses)</li> </ul>	0.40	0.40	<p>GH leased the land from Mrs. Siripen Sasimmanop 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.</p> <p><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.</p>

## • Significant Financial Information •

Financial Ratios	Unit	Audited Statement		
		2014	2015	2016
<b>Liquidity Ratios</b>				
Liquidity ratio	Time	6.46	4.63	2.91
Quick ratio	Time	6.26	4.27	2.54
Cash flow liquidity ratio	Time	0.80	0.35	0.47
Account receivables turnover	Time	3.63	3.29	3.63
Average receivables day	Day	99.22	109.56	99.29
Inventory turnover	Time	44.16	38.12	29.18
Average day sale	Day	8.15	9.44	12.34
Account payables turnover	Time	6.55	7.66	4.63
Credit term	Day	54.97	47.02	77.81
Cash Cycle	Day	52.40	71.99	33.82
<b>Profitability Ratios</b>				
Gross profit margin	%	36.97	30.14	27.40
Operating profit margin	%	7.15	-7.30	-12.96
Cash to earning capability ratio	%	163.34	-85.12	-101.60
Net profit margin	%	4.79	-9.57	-14.34
Return on equity	%	2.29	-4.00	-5.07
<b>Efficiency Ratios</b>				
Return on assets	%	2.06	-3.49	-4.08
Return on fixed assets <sup>/1</sup>	%	12.56	-5.51	-5.84
Assets turnover ratio	Time	0.43	0.36	0.28
<b>Financial Policy Ratios</b>				
Debt to equity ratio	Time	0.14	0.15	0.32
Interest coverage ratio <sup>/2</sup>	Time	29.06	5.12	9.88
Leverage ratio	Time	0.48	0.16	0.13
Dividend payout ratio	%	99.58	N/A	N/A

Notes <sup>/1</sup> Return on fixed assets excluding leased assets

<sup>/2</sup> Interest coverage ratio calculated from operating cash flows / interest expenses

## • Analysis of Financial Position and Operation Results.

### Overall operating performance in the past year

The Thai economy in 2016 expanded by 3.3%, down from the high base last year. The Thai economy faced a number of internal and external risks, e.g., political problems, uncertainty of US trade policies, volatile Chinese economy. The unfavorable factors prompted private operators to postpone their investment decisions and cut budget on public relation activities. This can be evidenced by the lower ad spending in 2016 to Baht 107,896 million, down by Baht 14,279 million or 11.69% on a year-on-year basis. The ad spending through printing media showed the biggest drop on the back of high competition and unfavorable sentiment when advertising activities or events were suspended.

In 2016, the Company underwent the business restructuring program and thus decided to cease the printing and event organizing businesses. Meanwhile, the Company still continued to operate core businesses, namely equipment rental service, TV program production, and postproduction businesses. In addition, one new business, i.e. studio rental business, was added to the Company's business portfolio. The rental studio is operated under the name "The Studio Park (Thailand)" project, located on a plot of 216 rai of land in Bangbo District, Samutprakan province. The new project is expected to commence operation in early 2Q17. This new business is operated by the Company's subsidiary, i.e. Matching Broadcast Co., Ltd, which was renamed "The Studio Park (Thailand) Co. Ltd" around early 2016. The equipment rental service base will also be relocated to the rental studio project. Hence, the Company's rental studio project will offer integrated services that clients can rent both equipment and locations at the same area. Once completed, the new project is expected to act as a source of recurring income for the Company in the future.

### Results of Operations

In the 2016 consolidated financial statement, the Company booked total revenue of Baht 456.67 million, down by Baht 67.65 million or 12.90% YoY versus Baht 524.32 million booked in 2015. The parent Company reported a loss of Baht 65.83 million in 2016, representing earnings deterioration by Baht 15.59 million or 31.03% YoY versus the loss of Baht 50.24 million on the back of the business restructuring program.

## Revenue breakdown by businesses

Details	2014		2015		2016	
	Bt:Mn	%	Bt:Mn	%	Bt:Mn	%
1. Revenue from equipment rental service	387.99	63.36	377.51	71.02	355.58	76.81
2. Revenue from TV program production	153.61	25.08	124.95	23.51	81.69	17.65
3. Revenue from post production business	-	-	9.63	1.81	12.47	2.69
4. Revenue from TV commercials production	44.37	7.24	6.54	1.23	2.43	0.53
5. Revenue from production sales	7.45	1.22	5.69	1.07	4.50	0.97
<b>Revenue from core businesses</b>	<b>593.42</b>	<b>96.90</b>	<b>524.32</b>	<b>98.64</b>	<b>456.67</b>	<b>98.65</b>
Other income	18.97	3.10	7.21	1.36	6.24	1.35
<b>Total revenue</b>	<b>612.39</b>	<b>100.00</b>	<b>531.53</b>	<b>100.00</b>	<b>462.91</b>	<b>100.00</b>

### Equipment rental service

The revenue from equipment rental service business was generated by the rental services provided for both local and international production crew of feature films as well as TV commercials. This business segment is operated under the brand “Gear Head”. In addition, the Company also provide equipment rental services for producers of TV programs and dramas, under the brand “ Handy Gear”. The revenue from this business unit consists of rental revenue, service revenue and sales revenue. In 2016, the Company booked total revenue from this business amounting to Baht 355.58 million, down by Baht 21.93 million or 5.81% YoY versus Baht 377.51 million booked for 2015. The revenue from this business accounted for 76.81% of the Company’s total revenue. The year-on-year decline in revenue from this business can be blamed on both local and international clients’ decisions to postpone their investment.

### TV program production

In 2016, the Company’s revenue from its TV program production business amounted to Baht 81.68 million, declining by Baht 43.26 million or 34.62% YoY versus Baht 124.95 million booked in 2015. The 2016 revenue from this business accounted for 17.65% of the total revenue. The deterioration was attributable to the unfavorable sentiment as well as high competition in the industry, especially in the TV industry where analog TV, digital TV, cable TV and satellite TV were already competing severely while new media, i.e., online media, was becoming to pay a bigger role and thus intensifying the competition.

### Post production

The post production business in 2016 generated revenue of Baht 12.47 million, up by Baht 2.84 million or 29.49% YoY versus Baht 9.63 million realized in 2015. The revenue from this segment accounted for 2.69% of the total revenue.

### TV commercials production

In 2016, the Company reported total revenue from TV commercials production business amounting to Baht 2.43 million, falling by Baht 4.11 million or 62.84% YoY versus Baht 6.54 million booked for 2015. The figure represented 0.53% of the total revenue. The slower exposure to this business was on the back of the Company’s restructuring program that caused the Company to downsize this business in 2016.

### Other income

In 2016, the Company booked other income amounting to Baht 6.25 million, accounting for 1.35% of the total revenue. This consisted of interest income and other income.

### Costs of sales and services

In 2016, the Company and subsidiaries' cost of sales and services stood at Baht 331.52 million, decreasing by Baht 34.77 million or 9.49% YoY versus Baht 366.26 million booked for 2015. The figure was in line with the decline in sales. Thus, the 2016 gross profit margin stood at 27.40% :

### Gross Profit Margin

Cost structure and gross profit margin	2014		2015		2016	
	Bt:Mn	%	Bt:Mn	Bt:Mn	%	Bt:Mn
Revenue from core businesses	593.42	100.00	524.32	100.00	456.67	100.00
Cost of sales and services	374.06	63.03	366.29	69.86	331.52	72.60
Gross Profit Margin	219.36	36.97	158.03	30.14	125.15	27.40

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

In 2016, the Company and its subsidiaries booked SG&A and other expenses amounting to Baht 183.90 million, accounting for 39.73% of the total revenue. The figure declined by Baht 3.56 million or 1.90% YoY versus Baht 187.46 million seen in 2015. In 2016, the Company underwent the business restructuring program and ceased the printing and event organizing businesses; in the meantime, the Company was also prepared for office relocation of its subsidiary. These activities brought the company the following expenses: i) Baht 7.20 million for employees' compensation, ii) Baht 4.81 million for allowance of doubtful debts; and iii) Baht 2.44 million in asset amortization charges; these expenses appeared under the admonition and other expense item. As a consequence of the aforementioned cease of the two businesses and the business restructuring program, the Company realized: i) the operating loss from the ceased businesses amounting to Baht 3.44 million, ii) Baht 3.22 million in loss from investment in a joint venture; and iii) finance cost amounting to Baht 6.09 million.

### Net profit

In 2016, the parent company booked a net loss of Baht 65.83 million, representing an increase in loss by Baht 15.59 million or 31.03% YoY versus the net loss of Baht 50.24 million that the parent company booked in 2015.

### Analysis of financial position for 2016 and 2015

#### Assets

As of 31 December 2016, the Company's total assets amounted to Baht 1,836.09 million, increasing by Baht 415.43 million, equivalent to an increase of 29.24% on a year-on-year basis versus Baht 1,420.66 million in 2015. The increase was on the back of the newly-issued shares for the right offering program and the increase on net land, building and equipment for the work progress of the Studio Park project.

The total assets consisted of: i) current assets worth Baht 466.56 million, accounting for 25.41% of the total assets and ii) non-current assets valued at Baht 1,369.53 million accounting for 74.59% of the total asset. Details are as follows:

- Cash and cash equipment amounted to Baht 157.48 million, down by Baht 52.68 million or 25.07% due to the investment in the Studio Park project.
- Short-term investment stood at Baht 150.34 million, increasing by Baht 109.61 million or 269.11% on a year-on-year basis, consisting of short-term deposit of not more than one year with financial institutions.
- Net account and other receivables amounted to Baht 100.20 million, down by Baht 51.51 million or 33.95% on a year-on-year basis on the back of lower sales.
- Refundable value added tax stood at Baht 23.71 million, increasing by Baht 20.66 million or 677.38% due to the request for value added tax refund for the service segment part of the Studio Park project.
- Land, building and equipment (net) amounted to Baht 1,020.06 million, increasing by Baht 390.91 million or 62.13% because the construction of the Studio Park project showed good progress. The project still needed only some interior design and external facilities, e.g., landscape architecture works.

### Liabilities

As of 31 December 2016, the total liabilities stood at Baht 448.47 million, increasing by Baht 258.20 million or 135.70% on a year-on-year basis. The total liabilities consisted of current liabilities amounting to Baht 160.54 million and non-current liabilities of Baht 287.93 million. The increase in liabilities was because the Company took out loan from a financial institution to fund the Studio Park project. The company's debt to equity ratio stood at 0.32 times.

### Shareholders' equities

As of 31 December 2016, the shareholders' equities increased by Baht 157.23 million or 12.78% on a year-on-year basis to Baht 1,387.62 million because of the right offering and the payment for 112.40 newly-issued shares at a par value of Baht 1 at the offering price of Baht 2. Post-right offering, the Company's issued and fully paid-up shares increased from Baht 531.63 million to Baht 644.03 million and the premiums on shares increased from Baht 658.32 million. to Baht 769.56 million. As of 31 December 2016, the book value per share stood at Baht 2.15.

### Liquidity and capital adequacy

As of 31 December 2016, the Company and its subsidiaries saw the opening balance of cash amounting Baht 210.16 million. With the net cash falling by Baht 52.68 million, the closing balance of cash thus amounted to Baht 157.48 million. The details are as follows:

Items	2014	2015	2016
Net cash generated from (used in) operating activities	69.31	32.59	60.12
Net cash generated from (used in) investing activities	28.95	(120.25)	(532.85)
Net cash generated from (used in) financing activities	113.16	(18.95)	420.05
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>211.42</b>	<b>(106.61)</b>	<b>(52.68)</b>
Opening balance of cash and cash equivalents	105.35	316.77	210.16
<b>Closing balance of cash and cash equivalents</b>	<b>316.77</b>	<b>210.16</b>	<b>157.48</b>

In 2016, the net cash flow from operating activities amounted to Baht 60.12 million. The net cash flow used in investing activities stood at Baht 532.85 million. The investment in the Studio Park project and equipment was valued at Baht 372.87 million and the purchase of rental assets amounted to Baht 52.46 million. Meanwhile, the cash flow it gained from financing activities stood at Baht 420.05 million as the Company received the loan of Baht 236.00 million and proceeds from the capital increase program amounting to Baht 223.64 million.

### Liquidity Ratio

In 2016, the Company's liquidity ratio stood at 2.91 times and the quick ratio was 2.54 times. The ratio fell because of the expenditure related to the investment in the Studio Park project. However, the Company's liquidity ratio remained rather strong, with current assets exceeding current liabilities. The Company expects that when the Studio Park project is completed and commences operation, it will generate recurring income; hence, the Company's liquidity will improve, going forward.

### Appropriateness of capital structure

Items	Unit	2014	2015	2016
Total liabilities	Million	181.26	190.27	448.47
Interest bearing debts	Million	86.63	102.09	302.42
Shareholders' equities	Million	1,315.46	1,230.39	1,387.62
Interest bearing debt to equity ratio	Time	0.07	0.08	0.22
Debt to Equity Ratio	Time	0.14	0.15	0.32

The major sources of funds were shareholder' equities and liabilities. As of 31 December 2016, the Company's paid-up capital amounted to Baht 644.03 million and the premium on shares was valued at Baht 769.56 million. The liabilities totaled Baht 448.47 million, with interest bearing debts amounting to Baht 302.42 million at the subsidiary; this borrowing was aimed at funding the investment in the Studio Park project that will generate revenue in the future. However, the Company's interest bearing debt to equity ratio and the debt to equity ratio remained at acceptable levels at 0.22 time and 0.32 time, respectively, which were still below 1 time.

### Off- balance Sheet Obligations

As of 31 December 2016, the Company and its subsidiaries had off-balance sheet obligations from core business operation, such as long-term leases for land and premises signed with outsiders, the obligation for capital expenses, and the guarantee obligations. All aforementioned obligations were already disclosed in Item 32 of the note to financial statement for fiscal year 2016.

### Factors impacting the Company's future performance

The Studio Park project has been almost completed, with only some interior decoration and landscape architecture works remaining. The Studio Park is Thailand's first international-standard studio that can support production of feature films as well as TV commercial (both indoor and outdoor). The project will offer the best service to both local and international clients, ranging from rental locations, equipment and highly-experiences personnel. The Company is now conducting a test run of various systems, e.g., NC25. The initial result of the test run was satisfying and the project is expected to facilitate the production works for all clients. The project is expected to commence operation by 2Q17; this will enhance revenue growth potential of the Company as well as creating steady business growth. The project is so expected to enable the Company to capture a large market share in the studio rental market. Finally, the country's economy is expected to pick up in 2017, which should boost investors' confidence going forwards.

# • *Audit Committee Report for 2016* •

## **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 rule and regulation of the Securities and Exchange Commission of Thailand.

During the year 2016, the Audit Committee convened a total of six meetings, where the authorized auditor, the Company's management and the internal auditor attended. One, out of the six meetings, was the meeting of only 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. The meetings acknowledged the guidelines of good corporate governance principles as well as creating the same understanding among the directors, the management and the employees so that they followed the set policies. The Company reviewed the good corporate governance principles and the code of conduct at least once annually in order 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 annual financial information of the Company and its subsidiaries to ensure that such financial information was completed in compliance with the accounting standard. The results of the review/audit of the financial information were appropriately and adequately disclosed in the meetings participated by the management, the internal auditor, and the authorized auditor. In the meetings the Audit Committee also raised some observed matters as well as suggestions based on the review/audit and reported the auditing plans and guideline and the independence of the authorized auditor. After the Audit Committee reviewed the audit report, it was then presented to the Company's directors for approval or proposal for the shareholders' approval as 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 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 suggestion 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. Comply with relevant laws and policies set forth by the Board of Directors**

The Audit Committee examined whether the Company followed relevant laws as well as 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. Finally, 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 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 auditors 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. Consider selecting and appointing the authorized auditor and determine annual audit fee**

The Audit Committee considered selecting and appointing an authorized auditor and determining remuneration, 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. 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 2017.

**7. Report the performance results of the Audit Committee to the Board of Director**

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

# • 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 2016, 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**

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including 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

**Impairment of investments**

Refer to notes to the consolidated and company financial statements : note 13 Investments in subsidiaries and note 14 Investment in joint venture.

The Company has invested in six subsidiaries with a total investment cost of Baht 1,249.20 million (note 13). It has also invested in one joint venture through a subsidiary, with a total investment cost of Baht 25 million (note 14). During 2016, the Company recognised loss from the impairment of investment in subsidiaries of Baht 45.03 million and recognised loss from investment in joint venture of Baht 3.22 million, which are included in the comprehensive income. As at 31 December 2016, there was a provision for impairment of investments in subsidiaries of Baht 266.47 million and a provision for impairment of investments in joint ventures of Baht 19.80 million.

This area is significant to the audit because of the magnitude of the carrying values of investments and the subjectivity involved in significant management judgements to determine the provision for impairment of investments.

I audited the impairment of investments in order to evaluate whether the provision for impairment of investment in subsidiaries and joint venture was appropriate as follows ;

- evaluating the operations and financial positions for the year ended 31 December 2016 of the subsidiaries and joint venture,
- considering with the historical performance of the subsidiaries and joint venture,
- inquiring with management for reasonableness of impairment of investment
- review the minutes of meetings of shareholders regarding the approval of resolution to liquidate the subsidiaries

I also tested supporting evidences and tested the mathematical accuracy of the impairment of investments.

I found that the provision for impairment of investments was adequate

**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 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 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.



Kajornkiet Aroonpirodkul

Certified Public Accountant (Thailand) No. 3445

Bangkok

22 February 2017

# • Statements of Financial Position •

Matching Maximize Solution Public Company Limited

As at 31 December 2016

	Notes	Consolidated		Separate financial statements	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	157,477,908	210,160,262	32,918,391	113,899,935
Short-term investments	8	150,336,056	40,739,853	150,290,104	40,693,920
Restricted cash - current portion	9	-	1,455,200	-	1,455,200
Trade and other receivables, net	10	100,204,116	151,707,798	12,425,016	36,642,423
Short-term loans to subsidiaries, net	33.4	-	-	132,000,000	146,950,000
Inventories, net	11	10,873,726	11,847,087	1,797,829	2,115,431
VAT receivable		23,705,056	3,047,114	-	-
Withholding tax deducted at sources, net		20,811,968	15,310,770	5,622,804	7,688,292
Other current assets		3,147,070	3,462,346	195,491	66,593
<b>Total current assets</b>		<b>466,555,900</b>	<b>437,730,430</b>	<b>335,249,635</b>	<b>349,511,794</b>
<b>Non-current assets</b>					
Investments in subsidiaries, net	13	-	-	982,726,736	835,256,037
Investment in joint venture, net	14	5,199,563	8,420,396	-	-
Restricted cash - non-current portion	9	1,729,271	1,870,871	1,729,271	1,774,871
Investment properties, net	15	10,249,564	10,249,564	-	-
Property, plant and equipment, net	16	1,020,063,690	629,149,551	49,203,520	59,473,861
Assets for rent, net	17	321,422,127	326,932,163	-	-
Intangible assets, net	18	4,140,946	605,657	424,555	419,828
Deferred tax assets	19	4,631,277	3,163,950	3,128,051	2,555,168
Other non-current assets		2,101,330	2,538,253	245,420	421,520
<b>Total non-current assets</b>		<b>1,369,537,768</b>	<b>982,930,405</b>	<b>1,037,457,553</b>	<b>899,901,285</b>
<b>Total assets</b>		<b>1,836,093,668</b>	<b>1,420,660,835</b>	<b>1,372,707,188</b>	<b>1,249,413,079</b>

## • Statements of Financial Position (cont'd) •

Matching Maximize Solution Public Company Limited

As at 31 December 2016

	Notes	Consolidated		Separate financial statements	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdrafts		-	12,775,471	-	-
Trade and other payables	20	101,740,746	41,562,770	7,117,026	8,935,509
Current portion of long-term borrowing					
from financial institution	22 (a)	42,278,000	19,128,000	-	-
Current portion of liability					
under finance lease	22 (b)	4,014,832	3,758,056	625,243	569,404
Other current liabilities	21	12,508,065	17,350,634	2,359,695	4,844,362
<b>Total current liabilities</b>		<b>160,541,643</b>	<b>94,574,931</b>	<b>10,101,964</b>	<b>14,349,275</b>
<b>Non-current liabilities</b>					
Long-term borrowing from					
financial institution	22 (a)	245,176,000	51,454,000	-	-
Liability under finance lease	22 (b)	10,948,198	14,971,957	626,860	1,252,103
Employee benefit obligations	23	30,770,938	27,946,905	12,396,041	10,366,925
Deferred income from sales and leaseback		1,031,588	1,326,698	-	-
<b>Total non-current liabilities</b>		<b>287,926,724</b>	<b>95,699,560</b>	<b>13,022,901</b>	<b>11,619,028</b>
<b>Total liabilities</b>		<b>448,468,367</b>	<b>190,274,491</b>	<b>23,124,865</b>	<b>25,968,303</b>

# • Statements of Financial Position (Cont'd) •

Matching Maximize Solution Public Company Limited

As at 31 December 2016

	Consolidated		Separate financial statements		
	31 December 2016	31 December 2015	31 December 2016	31 December 2015	
	Notes	Baht	Baht	Baht	Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital					
Authorised share capital					
Ordinary shares, 781.63 million shares					
at par value of Baht 1 each					
(31 December 2015: Ordinary shares, 535 million shares					
at par value of Baht 1 each)					
	24	781,629,851	535,000,000	781,629,851	535,000,000
Issued and fully paid-up share capital					
Ordinary shares, 644.03 million shares					
paid-up of Baht 1 each					
(31 December 2015: Ordinary shares, 531.63 million shares					
paid-up of Baht 1 each)					
	24	644,028,952	531,629,851	644,028,952	531,629,851
Share premium	24	769,560,520	658,317,844	769,560,520	658,317,844
Retained earnings					
Appropriated - legal reserve	25	10,658,657	10,658,657	10,658,657	10,658,657
Unappropriated (deficits)		(36,596,762)	29,231,739	(74,665,806)	22,838,424
Equity attributable to owners of the parent		1,387,651,367	1,229,838,091	1,349,582,323	1,223,444,776
Non-controlling interests		(26,066)	548,253	-	-
<b>Total equity</b>		<b>1,387,625,301</b>	<b>1,230,386,344</b>	<b>1,349,582,323</b>	<b>1,223,444,776</b>
<b>Total liabilities and equity</b>		<b>1,836,093,668</b>	<b>1,420,660,835</b>	<b>1,372,707,188</b>	<b>1,249,413,079</b>

# • Statements of Comprehensive Income •

Matching Maximize Solution Public Company Limited

For the year ended 31 December 2016

	Consolidated		Separate financial statements		
	2016	2015	2016	2015	
	Notes	Baht	Baht	Baht	Baht
<b>Revenue</b>					
Services income		452,166,756	518,629,921	81,867,240	124,947,766
Sales		4,499,189	5,688,824	-	-
<b>Total revenue</b>		<b>456,665,945</b>	<b>524,318,745</b>	<b>81,867,240</b>	<b>124,947,766</b>
<b>Cost of sales and services</b>					
Cost of providing services		(328,954,475)	(363,025,483)	(54,309,194)	(83,562,325)
Cost of sales		(2,566,636)	(3,264,919)	-	-
<b>Total cost of sales and services</b>		<b>(331,521,111)</b>	<b>(366,290,402)</b>	<b>(54,309,194)</b>	<b>(83,562,325)</b>
<b>Gross profit</b>		<b>125,144,834</b>	<b>158,028,343</b>	<b>27,558,046</b>	<b>41,385,441</b>
Other income	26	6,246,714	7,207,559	10,542,964	61,850,907
Selling expenses		(13,753,084)	(14,704,784)	(2,388,346)	(3,689,407)
Administrative expenses		(167,689,760)	(167,145,857)	(80,568,802)	(88,543,434)
Other expenses	29	(2,456,001)	(5,613,230)	(53,074,003)	(19,049,127)
Finance costs	27	(6,087,181)	(6,361,989)	(146,972)	(198,645)
Share of loss on investment in joint venture	14	(3,220,833)	(9,792,287)	-	-
<b>Loss before income tax</b>		<b>(61,815,311)</b>	<b>(38,382,245)</b>	<b>(98,077,113)</b>	<b>(8,244,265)</b>
Income tax revenue (expense)	30	(1,145,232)	(6,236,038)	572,883	140,094
Loss for the year from continuing operations		(62,960,543)	(44,618,283)	(97,504,230)	(8,104,171)
Loss for the year from discontinued operations		(3,442,277)	(6,268,356)	-	-
Net loss for the year		(66,402,820)	(50,886,639)	(97,504,230)	(8,104,171)
<b>Other comprehensive loss:</b>					
Item that will not be classified to profit or loss:					
Remeasurement of retirement benefit obligations, net of tax		-	(4,950,429)	-	(3,216,537)
<b>Total comprehensive loss for the year</b>		<b>(66,402,820)</b>	<b>(55,837,068)</b>	<b>(97,504,230)</b>	<b>(11,320,708)</b>
<b>Net loss attributable to:</b>					
Owners of the parent		(65,828,501)	(50,239,134)	(97,504,230)	(8,104,171)
Non-controlling interest in subsidiaries		(574,319)	(647,505)	-	-
		(66,402,820)	(50,886,639)	(97,504,230)	(8,104,171)
<b>Total comprehensive loss attributable to:</b>					
Owners of the parent		(65,828,501)	(55,189,563)	(97,504,230)	(11,320,708)
Non-controlling interest in subsidiaries		(574,319)	(647,505)	-	-
		(66,402,820)	(55,837,068)	(97,504,230)	(11,320,708)
<b>Loss per share</b>					
	<b>31</b>				
Basic loss per share		(0.12)	(0.09)	(0.18)	(0.02)

# • *Statements of Changes in Equity* •

Matching Maximize Solution Public Company Limited  
For the year ended 31 December 2016

	Notes	Consolidated							
		Attributable to owners of the parent				Non-controlling interests			
		Issued and paid-up share capital	Share premium	Retained earnings	Total owners of the parent	Unappropriated (deficits)	Total owners of the parent	Non-controlling interests	Total
Baht	Baht	Appropriated - legal reserve	Baht	Baht	Baht	Baht	Baht	Baht	
<b>Balance as at 1 January 2015</b>		531,629,851	658,317,844	8,309,781	116,007,783	1,314,265,259	1,195,758	1,315,461,017	
<b>Changes in equity for the year 2015</b>									
Legal reserve	25	-	-	2,348,876	(2,348,876)	-	-	-	
Dividends		-	-	-	(29,237,605)	(29,237,605)	-	(29,237,605)	
Total comprehensive loss for the year		-	-	-	(55,189,563)	(55,189,563)	(647,505)	(55,837,068)	
<b>Closing balance as at 31 December 2015</b>		531,629,851	658,317,844	10,658,657	29,231,739	1,229,838,091	548,253	1,230,386,344	
<b>Changes in equity for the year 2016</b>									
Shares issuance	24	112,399,101	111,242,676	-	-	223,641,777	-	223,641,777	
Total comprehensive loss for the year		-	-	-	(65,828,501)	(65,828,501)	(574,319)	(66,402,820)	
<b>Closing balance as at 31 December 2016</b>		644,028,952	769,560,520	10,658,657	(36,596,762)	1,387,651,367	(26,066)	1,387,625,301	

The accompanying notes on pages 12 to 64 are an integral part of these consolidated and separate financial statements.

# • Statements of Changes in Equity (cont'd) •

Matching Maximize Solution Public Company Limited  
For the year ended 31 December 2016

		Separate financial statements					
	Notes	Issued and paid-up share capital	Share premium	Retained earnings		Total	
				Appropriated - legal reserve	Unappropriated (deficits)		
		Baht	Baht	Baht	Baht	Baht	
<b>Balance as at 1 January 2015</b>		<b>531,629,651</b>	<b>658,317,844</b>	<b>8,309,781</b>	<b>65,745,368</b>	<b>1,264,002,844</b>	
<b>Changes in equity for the year 2015</b>							
Legal reserve	25	-	-	2,348,876	(2,348,876)	-	
Dividends		-	-	-	(29,237,360)	(29,237,360)	
Total comprehensive loss for the year		-	-	-	(11,320,708)	(11,320,708)	
<b>Closing balance as at 31 December 2015</b>		<b>531,629,651</b>	<b>658,317,844</b>	<b>10,658,657</b>	<b>22,838,424</b>	<b>1,223,444,776</b>	
<b>Changes in equity for the year 2016</b>							
Shares issuance	24	112,399,101	111,242,676	-	-	223,641,777	
Total comprehensive loss for the year		-	-	-	(97,504,230)	(97,504,230)	
<b>Closing balance as at 31 December 2016</b>		<b>644,028,952</b>	<b>769,560,520</b>	<b>10,658,657</b>	<b>(74,665,806)</b>	<b>1,349,582,323</b>	

# • Statements of Cash Flows •

Matching Maximize Solution Public Company Limited

For the year ended 31 December 2016

	Notes	Consolidated		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Continuing operations					
Loss before income tax expense		(61,815,311)	(38,382,245)	(98,077,113)	(8,244,265)
Adjustments for:					
Bad debt and doubtful accounts (reversal)		4,839,074	6,345,526	852,522	(9,434)
Depreciation and amortisation charge	28	77,032,642	70,813,097	9,365,430	10,646,205
Reversal of provision of goods returns		(238,875)	-	-	-
Allowance for impairment of investments in subsidiaries		-	-	45,029,301	27,803,026
Loss from write-off of withholding tax		54,044	307,752	27,885	67,200
Provision for withholding tax deducted at sources (reversal)		1,526,539	(197,541)	727,777	(124,701)
Allowance for doubtful of short-term loans to subsidiaries	33.4	-	-	6,250,000	-
Reversal of allowance for doubtful of short-term loans to subsidiaries	33.4	-	-	-	(14,367,127)
Share of loss of investments in joint venture	14	3,220,833	9,792,287	-	-
Dividends income		-	-	-	(45,499,755)
Gain (loss) from disposal of property, plan and equipment		(103,307)	(16,637)	51,211	(16,637)
Gain from disposal of assets for rent		(302,499)	(290,510)	-	-
Realised deferred income from sale and leaseback		(295,110)	(144,827)	-	-
Loss from write-off of equipment		2,544,909	5,644,640	1,743,489	5,629,866
Loss from write-off of assets for rent		780	215,576	-	-
Loss from write-off intangible assets		4,946	-	2	-
Gain from insurance compensation for assets		(924,891)	-	-	-
Provision for impairment of assets		533,504	-	-	-
Interest income		(2,403,370)	(4,927,487)	(10,077,663)	(13,786,350)
Finance costs	27	6,087,181	6,361,989	146,972	198,645
		29,761,089	55,521,620	(43,960,187)	(37,703,327)

## • Statements of Cash Flows (cont'd) •

Matching Maximize Solution Public Company Limited

For the year ended 31 December 2016

	Consolidated		Separate financial statements		
	2016	2015	2016	2015	
	Notes	Baht	Baht	Baht	Baht
Change in operating assets and liabilities:					
- Trade and other receivables		41,628,707	(5,675,717)	23,558,225	6,801,771
- Inventories and productions in progress		585,047	(5,167,464)	317,602	943,330
- VAT receivable		(20,657,942)	(1,613,682)	-	-
- Other current assets		255,815	(210,203)	(128,898)	63,958
- Restricted cash		1,596,800	407,200	1,500,800	407,200
- Other non-current assets		108,923	784,316	176,100	110,000
- Trade and other payables		20,158,634	(4,352,240)	(1,098,017)	(4,912,647)
- Other current liabilities		(3,976,687)	(63,380)	(2,484,667)	983
- Employee benefit obligations		2,889,385	2,816,616	2,029,116	709,904
Cash flows from operating activities		72,349,771	42,447,066	(20,089,926)	(33,578,828)
Interest received		2,229,874	3,373,847	1,287,202	1,899,030
Interest paid		(2,179,943)	(1,204,359)	(146,972)	(198,645)
Withholding tax refunded		4,021,521	680,153	4,021,521	556,304
Corporate income tax paid		(13,035,668)	(18,375,355)	(2,711,695)	(3,638,887)
Discontinued operations	12	(3,265,625)	5,669,199	-	-
Net cash generated from (used in) operating activities		60,119,930	32,590,551	(17,639,870)	(34,961,026)

## • Statements of Cash Flows (cont'd) •

Matching Maximize Solution Public Company Limited

For the year ended 31 December 2016

	Notes	Consolidated		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Continuing operations					
Cash payment for short-term investments		(150,290,104)	-	(150,290,104)	-
Cash received from short-term investments		40,693,919	59,762,295	40,693,920	59,762,294
Cash payment for short-term loans to subsidiaries	33.4	-	-	(8,450,000)	(24,200,000)
Cash received from short-term loans to subsidiaries	33.4	-	-	17,150,000	59,446,000
Cash received from capital return from subsidiary	13	-	-	20,000,000	
Cash payment for investment in subsidiaries	13	-	-	(212,500,000)	(80,500,000)
Cash payment for investment in joint venture	14	-	(12,499,900)	-	-
Cash payment for purchases of equipment		(372,873,179)	(75,095,224)	(1,575,999)	(3,092,014)
Cash payment for purchases of assets for rent		(52,461,415)	(93,394,004)	-	-
Cash payment for purchases of intangible assets		(384,942)	(335,550)	(104,500)	(257,750)
Proceeds from disposal of equipment		228,540	21,402	65,515	18,132
Proceeds from disposal of assets for rent		706,266	553,125	-	-
Interest received from short-term investments		-	1,506,657	-	1,274,039
Interest received from short-term loans to subsidiaries	33.4	-	-	8,597,121	10,605,464
Dividends received from subsidiaries		-	-	-	45,499,755
Cash received from insurance compensation					
for assets for rent		1,542,399	-	-	-
Discontinued operations	12	(12,812)	(766,622)	-	-
Net cash generated from (used in) investing activities		(532,851,328)	(120,247,821)	(286,414,047)	68,555,920

## • Statements of Cash Flows (cont'd) •

Matching Maximize Solution Public Company Limited

For the year ended 31 December 2016

	Notes	Consolidated		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
<b>Cash flows from financing activities</b>					
Continuing operations					
Bank overdrafts		(12,775,471)	12,775,471	-	-
Cash received from sales and leaseback		-	19,730,755	-	-
Cash received from long-term borrowing from bank	22 (a)	236,000,000	5,000,000	-	-
Repayments to long-term borrowing from bank	22 (a)	(19,128,000)	(18,708,000)	-	-
Repayments to liability under finance lease		(3,766,983)	(3,340,802)	(569,404)	(518,553)
Interest paid from long-term borrowing from bank		(3,922,279)	(5,170,875)	-	-
Cash received from issuance of ordinary shares	24	223,641,777	-	223,641,777	-
Dividends payments		-	(29,237,605)	-	(29,237,360)
Discontinued operations		-	-	-	-
Net cash generated from (used in) financing activities		420,049,044	(18,951,056)	223,072,373	(29,755,913)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(52,682,354)</b>	<b>(106,608,326)</b>	<b>(80,981,544)</b>	<b>3,838,981</b>
Opening balance of cash and cash equivalents		210,160,262	316,768,588	113,899,935	110,060,954
<b>Closing balance of cash and cash equivalents</b>		<b>157,477,908</b>	<b>210,160,262</b>	<b>32,918,391</b>	<b>113,899,935</b>

### Non-cash transactions

Outstanding payable arising from purchases

of assets and equipment 43,044,117 990,670 21,600 742,066

Outstanding payable arising from purchases

of assets for rent 2,270,182 436,833 - -

Acquisition of equipment by means of finance lease

- 19,730,755 - -

Accrued interest expenses from purchases of assets and equipment

1,052,301 - - -

# • *Notes to the Consolidated and Separate Financial Statements* •

Matching Maximize Solution Public Company Limited

For the year ended 31 December 2016

## **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 305/12 Soi Sukhothai 6, Sukhothai Road, Dusit, Bangkok.

Branch : located 23/3 Moo 2 Nong Khang Phlu, Nong Khaem Bangkok.

On 1 July 2016, the Company has changed its registered head office to 305/12 Soi Sukhothai 6, Sukhothai Road, Dusit, 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 Group is principally engaged in the business of television programs, advertisement films production, post production, providing film production equipment for rent and providing related services, production and distribution of magazines.

The Group consolidated and company financial statements were authorised for issue by the Board of Directors on 22 February 2017.

## **2 Accounting policies**

The principal accounting policies applied in the preparation of these consolidated and company 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.

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.

An English 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 New/revised financial reporting standards, and related interpretations

### 2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016.

- a) New/revised financial reporting standards and interpretation which are relevant and have a significant impact to the Group:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 13 (revised 2015)	Fair value measurement

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. This standard has no impact to the Group.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. This standard has no impact to the Group.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. This standard has no impact to the Group, except for disclosures.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting Company as its only financial statements. It requires the investment

entity to measure its investment in subsidiaries at fair value through profit or loss. This standard has no impact to the Group.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy and 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption. This standard has no impact to the Group, except for disclosures.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model. This standard has no impact to the Group.

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination. This standard has no impact to the Group.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker. This standard has no impact to the Group, except for disclosures.

TFRS10 (revised 2015) 'Consolidated' is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. This standard has no impact to the Group.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or TFRS 9 (when announced). This standard has no impact to the Group.

b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors

TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 11 (revised 2015)	Joint arrangements
TSIC 10 (revised 2015)	Government assistance – No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases – Incentives
TSIC 25 (revised 2015)	Income taxes – changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue – barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets – Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies

TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards.

a) Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 10 (revised 2016)	Consolidated financial statements

*TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:*

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.

- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be

overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TFRS 5 (revised 2016), the amendments clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

The management has assessed and considered that the above revised standards will not have a material impact on the Group.

b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 36 (revised 2016)	Impairment of assets

TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 40 (revised 2016)	Investment property
TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 4 (revised 2016)	Insurance contracts
TFRS 6 (revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2016)	Operating segments
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives
TSIC 25 (revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers
TFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2016)	Levies
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings

## 2.3 Group Accounting – Investments in subsidiaries

### (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. 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.

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 and the effects from disposals of subsidiaries are shown in Note 13.

## **(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 is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

## **(3) Joint arrangements**

The group has applied TFRS11 to all joint arrangements as of 1 January 2015. Under TFRS11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. 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 of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group'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.

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 the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

## **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 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 and bank overdrafts. In the statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

## **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 productions in progress**

### **a) Camera for production and accessories**

Camera for production and accessories 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.

### **b) TV programs and event production**

TV programs ready for broadcasts or sales and TV programs and event production in progress 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 and show has been performed.

**c) Pocketbook and magazines in progress**

Pocketbook and magazines in progress are stated at the lower of cost and net realisable value. Cost is determined by specific identification. The cost of pocketbook and magazines in progress comprises design costs, raw materials, direct labour, other direct costs and related production overhead (based on normal capacity). Net realisable 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.

**2.8 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 consolidated 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 and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

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

**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 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**

Production equipment	5 years
Computers	5 years
Furniture fixture and office equipment	5 years
Motor vehicles	5 years
Office building, studio building and leasehold building improvement	20 years
Leasehold studio building improvement	20 years

**Asset for rent**

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

### **Other intangible assets**

Cost incurred on web-site development are recognised as intangible asset and are amortised using the straight-line method over their estimated useful lives of 3 - 5 years.

## **2.11 Impairment of assets**

Assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment. Land, building and equipment, assets for rent, and non-financial assets including intangible assets that 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.

## **2.12 Leases – where a Group company 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 other long-term payables. 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.

#### **Leases – where a Group company is the lessor**

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

### **2.13 Borrowings**

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.

#### **(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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

### **2.14 Employee benefits**

#### **Retirement benefits**

The Group operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

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 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 Group has no further payment obligations once the contributions have been paid. 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.

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 annually 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.

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 Provision for goods returns**

Provision for goods returns is estimated based on historical experience and other relevant market factors. Provision for goods returns are provided for the sales profit margins and presented netting of sales.

## **2.17 Revenue recognition**

Revenue of the Group consist principally revenue from advertising, television program, advertising films production, concerts and event organising, rental of equipment, sales of pocket book, magazines and other goods.

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

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 concerts and events organising are recognised when the shows are 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.

Revenue from sales of pocket books and magazines are shown net of returns and discounts. Revenue from sales of pocket books and magazines are recognised when significant risks and rewards of ownership of goods are transferred to the buyer. Revenue from barter service is revenues from the exchange of a dissimilar nature. The revenue is measured at the fair value of service received, adjusted by the amount of any cash or cash equivalents received or paid. Revenue from advertising in magazines and publishing media are recognised when advertisements are published.

Revenue from sales of other 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.

### **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.

## **2.18 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 Company and its subsidiaries

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 associates, 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.

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.

### **2.19 Dividend payment**

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

### **2.20 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**

The Group's income and operating cash flows are not substantially independent of changes in market interest rates. 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 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.

### **3.1.3 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 15 and note 22 for disclosure of the investment properties and borrowings that are disclosed at fair value.

## **4 Critical accounting estimates, assumptions and judgements**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **4.1 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.

#### **4.2 Provision for goods returns**

The management has estimated the provision for goods returns in relation to magazines. The percentage of goods returned is estimated based on historical information, experiences and existing business models.

#### **4.3 Property and equipment, and intangible assets**

Management determines the estimated useful lives and residual values for the Group's property and equipment, 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.

#### **4.4 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 23.

### **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 segment

	Advertisement films production	Television programs	Rental and service	Sales of products	Post production	Total
	Baht	Baht	Baht	Baht	Baht	Baht
<b>For the year ended 31 December 2016</b>						
Revenues						
Gross segment revenues	2,429,250	81,686,897	359,354,602	4,529,965	12,560,096	460,560,810
Inter-segment revenues	-	-	(3,779,089)	(30,776)	(85,000)	(3,894,865)
Net revenues	2,429,250	81,686,897	355,575,513	4,499,189	12,475,096	456,665,945
Segment result	(3,963,331)	17,804,729	4,281,135	1,946,794	(6,950,585)	13,118,742
Other income						6,246,714
Interest paid						(6,087,181)
Unallocated cost/expenses						(71,298,434)
Share of loss of investment in joint ventures						(3,220,833)
Income tax expense						(1,145,232)
Loss for the year from continuing operations						(62,386,224)
Loss for the year from discontinued operations						(3,442,277)
Loss attributable to owners of the parent						(65,828,501)
Loss attributable to non-controlling interests						(574,319)
Loss for the year						(66,402,820)

## 6 Segment information (cont'd)

Financial statements by business segment (cont'd)

	Advertisement films production	Television programs	Rental and service	Sales of products	Post production	Total
	Baht	Baht	Baht	Baht	Baht	Baht
<b>Segment for assets</b>						
Property, plant, and equipment, net	-	49,203,520	956,866,372	-	13,002,753	1,019,072,645
Assets for rent, net	-	-	321,422,127	-	-	321,422,127
Other assets	6,477,556	208,775,395	248,566,218	8,765,124	13,952,286	486,536,579
Unallocated assets						<u>9,062,317</u>
						<u>1,836,093,668</u>
<b>Segment for liabilities</b>						
Outstanding payable arising from purchases of fixed assets	-	21,600	45,292,699	-	-	45,314,299
Long-term loan	-	-	284,050,000	-	3,404,000	287,454,000
Other liabilities	1,062,551	22,436,033	87,996,347	-	3,952,063	115,446,994
Unallocated liabilities						<u>253,074</u>
						<u>448,468,367</u>
<b>Depreciation and amortisation</b>	<b>117,745</b>	<b>9,365,430</b>	<b>62,158,944</b>	<b>-</b>	<b>5,017,852</b>	<b>76,659,971</b>
<b>Capital expenditure</b>	<b>3,000</b>	<b>1,680,499</b>	<b>423,355,925</b>	<b>-</b>	<b>680,110</b>	<b>425,719,534</b>

## 6 Segment information (cont'd)

Financial statements by business segment (cont'd)

	Advertisement films production	Television programs	Rental and service	Sales of products	Post production	Total
	Baht	Baht	Baht	Baht	Baht	Baht
<b>For the year ended 31 December 2015</b>						
Revenues						
Gross segment revenues	6,538,150	125,592,468	383,194,798	5,770,606	9,851,923	530,947,945
Inter-segment revenues	-	(644,000)	(5,683,418)	(81,782)	(220,000)	(6,629,200)
Net revenues	6,538,150	124,948,468	377,511,380	5,688,824	9,631,923	524,318,745
Segment result	(2,564,240)	18,260,807	37,068,183	2,423,905	(8,723,736)	46,464,919
Other income						7,207,559
Interest paid						(6,361,989)
Unallocated cost/expenses						(75,252,942)
Share of loss of investment in joint ventures						(9,792,287)
Income tax expense						(6,236,038)
Loss for the year from continuing operations						(43,970,778)
Loss for the year from discontinued operations						(6,268,356)
Loss attributable to owners of the parent						(50,239,134)
Loss attributable to non-controlling interests						(647,505)
Loss for the year						(50,886,639)

## 6 Segment information (cont'd)

Financial statements by business segment (cont'd)

	Advertisement films production	Television programs	Show/events organizing	Rental and service	Sales of products	Sales of magazines	Post production	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Segment for assets</b>								
Property, plant and equipment, net	588,862	60,106,729	436,304	545,576,207	-	1,714,906	20,726,543	629,149,551
Assets for rent, net	-	-	-	326,932,163	-	-	-	326,932,163
Other assets	30,994,903	267,629,338	7,376,722	128,257,253	9,118,104	14,548,873	6,653,928	464,579,121
<b>Segment for liabilities</b>								
Outstanding payable arising from purchases of fixed assets	-	742,066	-	685,437	-	-	-	1,427,503
Long-term loan	-	-	-	66,170,000	-	-	4,412,000	70,582,000
Other liabilities	812,567	32,504,266	560,155	53,238,455	-	16,615,732	14,533,813	118,264,988
<b>Depreciation and amortisation</b>	<b>174,361</b>	<b>10,670,041</b>	<b>163,283</b>	<b>55,862,334</b>	<b>-</b>	<b>980,879</b>	<b>4,106,360</b>	<b>71,957,258</b>
<b>Capital expenditure</b>	<b>13,160</b>	<b>60,873,681</b>	<b>300,200</b>	<b>113,174,708</b>	<b>-</b>	<b>472,539</b>	<b>9,318,614</b>	<b>184,152,902</b>

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	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Cash on hand	650,000	625,000	390,000	390,000
Deposits held at call with banks	156,761,538	188,172,403	32,462,021	113,202,923
Fixed deposit accounts	66,370	21,362,859	66,370	307,012
	157,477,908	210,160,262	32,918,391	113,899,935

As at 31 December 2016, deposits held at call with banks carry interest at the rate ranging from 0.50% to 1.40% per annum (2015: 0.50% to 1.90% per annum). Fixed deposit accounts carry interest at the rate ranging from 1.25% to 1.50% per annum (2015: 0.875% to 1.80% per annum).

## 8 Short-term investments

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Fixed deposit - due after 3 months but not later than 6 months	150,290,104	40,693,920	150,290,104	40,693,920
Fixed deposit - due after 6 months but not later than 12 months	45,952	45,933	-	-
	150,336,056	40,739,853	150,290,104	40,693,920

The interest rates on fixed deposit are ranging from 1.25% to 1.65% per annum (2015: 1.50% to 1.90% per annum).

## 9 Restricted cash

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Restricted cash - current portion	-	1,455,200	-	1,455,200
Restricted cash - non-current portion	1,729,271	1,870,871	1,729,271	1,774,871

The Group has pledged the deposits with local banks as collateral for letters of bank guarantee issued by those banks in respect of project performance and for electricity usage. The restricted cash for project which is expected to complete within one year is classified as current portion.

## 10 Trade and other receivables, net

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Trade accounts receivable				
Other companies	121,327,795	170,685,633	17,740,248	42,650,359
Accrued income	158,000	800,950	-	-
<u>Less</u> Advances received	(4,955,954)	(10,914,623)	(4,658,332)	(6,241,582)
Allowance for doubtful accounts	(23,953,588)	(19,466,387)	(3,218,863)	(2,366,341)
Provision for goods returns	-	(730,275)	-	-
Trade accounts receivable and accrued income, net	92,576,253	140,375,298	9,863,053	34,042,436
Prepaid expenses	4,217,799	5,027,804	977,657	1,087,688
Other receivables	3,410,064	6,548,056	1,584,306	1,528,342
<u>Less</u> Allowance for doubtful accounts	-	(243,360)	-	(16,043)
	100,204,116	151,707,798	12,425,016	36,642,423

During 2016, fully provided trade accounts receivable and other receivable were written off amounting to Baht 645,880 and Baht 16,043 (2015: Baht 322,223 and nil), in the consolidated and separate financial statements respectively.

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Account receivables				
Current	63,809,475	93,336,929	9,005,579	31,779,837
Overdue less than 3 months	27,736,769	46,316,375	6,322,853	8,504,181
Overdue 3 to 6 months	4,906,468	11,114,961	-	-
Overdue 6 to 12 months	4,861,427	4,334,289	-	-
Overdue over 12 months	20,013,656	15,583,079	2,411,816	2,366,341
	121,327,795	170,685,633	17,740,248	42,650,359

## 11 Inventories, net

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Equipment for film production and accessories	8,765,124	9,118,104	-	-
TV programs production in progress	1,797,829	2,115,431	1,797,829	2,115,431
Advertisement production in progress	310,773	210,997	-	-
Magazines in progress	-	8,040	-	-
Event production in progress	-	390,369	-	-
Pocketbook	-	558,948	-	-
Others	-	4,146	-	-
<u>Less</u> Allowance for decrease in value of inventory - pocketbook	-	(558,948)	-	-
	10,873,726	11,847,087	1,797,829	2,115,431

During 2016, fully provided inventory was written off amounting to Baht 563,094 (2015: nil), in the consolidated financial statements.

## 12 Discontinued operations

During 2016, trademarks and copyrights of magazines operation were sold for cash consideration of Baht 5,807,000. In addition, show/events organizing operation is discontinued.

Information relating to magazines and show/events organizing operations is summarised as follows:

### Operating results

	For the period ended 30 June 2016	For the year ended 31 December 2015
Revenue	18,156,110	75,552,320
Cost of sales and services	(15,725,939)	(60,010,950)
Gross profit	2,430,171	15,541,370
Other income	1,004,233	263,827
Selling and administrative expenses	(12,699,757)	(22,068,484)
Other expenses	-	(878)
Loss before income tax	(9,265,353)	(6,264,165)
Income tax	16,076	(4,191)
Loss from operation	(9,249,277)	(6,268,356)
Disposal price	5,807,000	-
Loss for the period/year from discontinued operations	(3,442,277)	(6,268,356)

### Cash flows

	For the period ended 30 June 2016	For the year ended 31 December 2015
Net cash flows from operating activities	(3,265,625)	5,669,199
Net cash flows from investing activities	(12,812)	(766,622)
Net cash flows from financing activities	-	-
Total cash flows	(3,252,813)	4,902,577

### Financial position

	30 June 2016	31 December 2015
Total assets	13,688,420	24,062,563
Total liabilities	(10,739,938)	(17,175,887)
Net assets	2,948,482	6,886,676

### 13 Investments in subsidiaries, net

	Separate financial statements	
	2016	2015
	Baht	Baht
Investments in subsidiaries	1,249,200,000	1,056,700,000
<u>Less Allowance for impairment</u>	<u>(266,473,264)</u>	<u>(221,443,963)</u>
Investments in subsidiaries, net	982,726,736	835,256,037

Movements of investments in subsidiaries are summarised as follows:

#### For the year ended 31 December

Opening net book amount	835,256,037	782,559,063
Acquisition	212,500,000	80,500,000
Decrease in capital of a subsidiary	(20,000,000)	-
Impairment	(45,029,301)	(27,803,026)
Closing net book amount	982,726,736	835,256,037



### 13 Investments in subsidiaries, net (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 2016 of Baht (26,066) is of an individual shareholder under Time Lapse Co., Ltd. which is not material.

#### 2016

During the year, Matching Broadcast Co., Ltd. called-up additional capital of 7,700,000 shares at Baht 25 per share, totalling Baht 192.50 million.

On 16 February 2016, the Company received a capital return from Matching Studio Plus Co., Ltd. for the capital reduction of 200,000 shares at Baht 100 par value, totalling Baht 20 million.

On 23 December 2016, the shareholders of Matching Entertainment Co., Ltd. approved the liquidation of the company. The liquidation was registered with the Ministry of Commerce on 27 December 2016 and is currently being processed.

On 28 December 2016, the shareholders of Matching Studio Plus Co., Ltd. approved the liquidation of the company. The liquidation was registered with the Ministry of Commerce on 28 December 2016 and is currently being processed.

On 26 December 2016, the shareholders of Time lapse Co., Ltd. approved to increase the authorized share capital from 200,000 ordinary shares with par value of Baht 100 each to 400,000 ordinary shares with par value of Baht 100 each. The Company has subscribed all the newly issued shares, totalling Baht 20 million.

#### 2015

On 28 April 2015, the shareholders of Gear Head Co., Ltd. approved to increase the authorised share capital from 1,300,000 ordinary shares with a par value of Baht 100 each to 1,755,000 ordinary shares with a par value of Baht 100 each. The Company subscribed all the newly issued shares, totalling Baht 175.50 million.

On 26 October 2015, the shareholders of Matching Entertainment Co., Ltd. approved to increase the authorised share capital from 800,000 ordinary shares with a par value of Baht 100 each to 1,200,000 ordinary shares with a par value of Baht 100 each totalling Baht 120 million. As at 31 December 2015, the Company paid Baht 35 million for subscription of 350,000 newly issue shares of the subsidiary. That subsidiary used the proceed of Baht 40 million from capital increase to repay loan to the Company.

On 24 December 2015, shareholders of Matching Studio Plus Co., Ltd. approved to decrease the authorised share capital from 1,580,000 ordinary shares with a par value of Baht 100 each to 1,380,000 ordinary shares with a par value of Baht 100 each, totalling Baht 138 million.

## 14 Investment in joint venture, net

Matching Studio Plus Co., Ltd. invested in 125,000 shares, representing 14.29% 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 2016	31 December 2015
Transformation Film Co., Ltd.	Production of film, advertisement, television programmes, and providing entertainment services in all forms	Indirect shareholder	14.29	14.29

Joint venture is incorporated in Thailand. Holdings are investments in ordinary shares. Movements of investments in joint venture are as follows:

	Consolidated	
	2016	2015
	Baht	Baht
<b>Investment in joint venture</b>		
Opening net book amount	8,420,396	5,712,783
Investment during the year	-	12,499,900
Share of loss	(3,220,833)	(9,792,287)
Closing net book amount	5,199,563	8,420,396

On 13 February 2015, Matching Studio Plus Co., Ltd. paid Baht 12,499,900 for the called-up capital in joint venture.

## 14 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	
	2016	2015
	Baht	Baht
<b>Current assets and liabilities</b>		
Assets	72,488,022	59,828,534
Liabilities	(36,976,208)	(3,221,569)
Total current assets	35,511,814	56,606,965
<b>Non-current assets and liabilities</b>		
Assets	1,099,275	2,438,181
Liabilities	(214,150)	(67,571)
Total non-current assets	885,125	2,370,610
Net assets	36,396,939	58,977,575

#### Summarised statement of comprehensive income

	For the year ended 31 December	
	2016	2015
	Baht	Baht
Revenue	19,166,464	55,266,312
Cost	(19,944,438)	(62,474,111)
Other income	994,541	50,000
Interest income	66,542	231,839
Selling and administrative expenses	(22,028,906)	(59,736,652)
Depreciation and amortisation	(824,499)	(742,322)
Interest expense	(10,340)	(1,120,520)
<b>Loss from continuing operations</b>	<b>(22,580,636)</b>	<b>(68,525,454)</b>
Income tax expense	-	-
<b>Post-tax loss from continuing operations</b>	<b>(22,580,636)</b>	<b>(68,525,454)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss</b>	<b>(22,580,636)</b>	<b>(68,525,454)</b>

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).

## 14 Investment in joint venture, net (cont'd)

### 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	
	2016	2015
	Baht	Baht
Opening net assets 1 January	58,977,575	40,003,029
Investment during the year	-	87,500,000
Loss for the year	(22,580,636)	(68,525,454)
Closing net assets	36,396,939	58,977,575
Interest in joint venture (14.29%)	5,199,563	8,427,895
Carrying value	5,199,563	8,420,396

## 15 Investment properties, net

	Consolidated	
	2016	2015
	Baht	Baht
<b>As at 31 December</b>		
Land - Prachuap Khiri Khan Province	10,249,564	10,249,564
Land and building - Kanchanaburi Province	1,960,000	1,960,000
Total investment property	12,209,564	12,209,564
<u>Less</u> Allowance for impairment	(1,960,000)	(1,960,000)
Net book amount	10,249,564	10,249,564

A subsidiary owns two pieces of properties that are not utilised, with total cost of Baht 12.21 million, comprising land at Prachuap Khiri Khan Province of Baht 10.25 million, and land and building at Kanchanaburi Province of Baht 1.96 million.

For the years ended 31 December 2016 and 2015, there is no income or expense that is related to investment properties recognised in profit and loss.

### Fair value hierarchy

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).

## 15 Investment properties, net (cont'd)

	Consolidated	
	2016	2015
	Baht	Baht
<b>Fair value hierarchy</b>		
Land - Prachuap Khiri Khan Province (level 2)	25,500,000	25,500,000
Land and building - Kanchanaburi Province (level 2)	-	-
<b>Total fair value</b>	<b>25,500,000</b>	<b>25,500,000</b>

### 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.

16 Property, plant and equipment, net

Consolidated										
	Land	Production equipment	Computer	Furniture fixtures and office equipment	Motor vehicles	Office building, studio building and leasehold building improvement	Leasehold studio building improvement	Construction in progress	Total	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>At 1 January 2015</b>										
Cost	460,731,418	26,961,045	27,271,334	49,241,187	13,991,906	117,048,006	14,286,705	30,705,407	740,237,008	
<u>Less</u> Accumulated depreciation	-	(23,943,389)	(21,702,391)	(44,806,756)	(4,910,271)	(55,853,833)	(11,741,062)	-	(162,957,702)	
Net book amount	460,731,418	3,017,656	5,568,943	4,434,431	9,081,635	61,194,173	2,545,643	30,705,407	577,279,306	
<b>For the year ended 31 December 2015</b>										
Opening net book amount	460,731,418	3,017,656	5,568,943	4,434,431	9,081,635	61,194,173	2,545,643	30,705,407	577,279,306	
Additions	27,064,853	1,308,916	2,029,212	4,269,863	792,991	3,677,245	-	36,648,441	75,791,521	
Transfer-in (out)	-	15,652,557	32,000	6,752,295	-	(2,100,000)	2,100,000	(22,436,852)	-	
Disposals and write-off, net	-	(2,108)	(7,985)	(17,333)	-	(4,315,199)	(1,314,668)	-	(5,657,293)	
Depreciation	-	(3,721,438)	(2,258,990)	(3,009,319)	(2,590,985)	(5,957,434)	(725,817)	-	(18,263,983)	
Closing net book amount	487,796,271	16,255,583	5,363,180	12,429,937	7,283,641	52,498,785	2,605,158	44,916,996	629,149,551	
<b>At 31 December 2015</b>										
Cost	487,796,271	40,564,392	28,331,470	59,194,492	14,784,897	109,911,504	6,052,832	44,916,996	791,552,854	
<u>Less</u> Accumulated depreciation	-	(24,308,809)	(22,968,290)	(46,764,555)	(7,501,256)	(57,412,719)	(3,447,674)	-	(162,403,303)	
Net book amount	487,796,271	16,255,583	5,363,180	12,429,937	7,283,641	52,498,785	2,605,158	44,916,996	629,149,551	

## 16 Property, plant and equipment, net (cont'd)

Consolidated										
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
	Land	equipment	Computer	Furniture fixtures and office equipment	Motor vehicles	Office building, studio building and leasehold building improvement	Leasehold studio building improvement	Construction in progress	Total	
<b>For the year ended 31 December 2016</b>										
Opening net book amount	487,796,271	16,255,583	5,363,180	12,429,937	7,283,641	52,498,785	2,605,158	44,916,996	629,149,551	
Additions	3,189,666	574,383	810,639	1,747,275	17,285	201,900	-	409,453,377	415,994,525	
Transfer to										
intangible asset (Note 18)	-	(4,429,296)	-	-	-	-	-	-	(4,429,296)	
Transfer-in (out)	-	174,910	-	464,680	-	218,000	-	(857,590)	-	
Disposals and write-off, net	-	(45,208)	(467,909)	(192,456)	-	(234,990)	(1,729,578)	-	(2,670,141)	
Depreciation	-	(3,197,962)	(1,994,842)	(3,628,892)	(2,554,186)	(5,832,727)	(238,836)	-	(17,447,445)	
Impairment charge	-	-	-	-	-	(533,504)	-	-	(533,504)	
Closing net book amount	490,985,937	9,332,410	3,711,068	10,820,544	4,746,740	46,317,464	636,744	453,512,783	1,020,063,690	
<b>At 31 December 2016</b>										
Cost	490,985,937	29,659,601	20,404,021	49,666,146	14,321,987	104,863,134	931,229	453,512,783	1,164,344,838	
Less Accumulated depreciation	-	(20,327,191)	(16,692,953)	(38,845,602)	(9,575,247)	(58,012,166)	(294,485)	-	(143,747,644)	
Provision for impairment	-	-	-	-	-	(533,504)	-	-	(533,504)	
Net book amount	490,985,937	9,332,410	3,711,068	10,820,544	4,746,740	46,317,464	636,744	453,512,783	1,020,063,690	

Depreciation of Baht 4,471,446 (2015: Baht 8,060,115) and Baht 12,975,999 (2015: Baht 10,203,868) 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 (2015: Nil) was pledged as a collateral for loan acquired by subsidiary.

16 Property, plant and equipment, net (cont'd)

Separate financial statements							
	Production equipment	Computer	Furniture fixtures and office equipment	Motor vehicles	Office building, studio building and leasehold building improvement	Leasehold studio building improvement	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>At 1 January 2015</b>							
Cost	24,788,786	13,603,380	32,545,482	12,106,519	94,516,985	15,814,763	193,375,915
Less Accumulated depreciation	(22,367,939)	(10,855,929)	(30,490,408)	(3,788,164)	(42,392,492)	(11,528,071)	(121,423,003)
<b>Net book amount</b>	<b>2,420,847</b>	<b>2,747,451</b>	<b>2,055,074</b>	<b>8,318,355</b>	<b>52,124,493</b>	<b>4,286,692</b>	<b>71,952,912</b>
<b>For the year ended 31 December 2015</b>							
Opening net book amount	2,420,847	2,747,451	2,055,074	8,318,355	52,124,493	4,286,692	71,952,912
Additions	766,878	964,880	647,696	792,991	558,000	-	3,730,445
Disposals and write-off, net	(1,437)	(31)	(26)	-	(4,315,199)	(1,314,668)	(5,631,361)
Depreciation	(757,941)	(1,161,087)	(730,673)	(2,506,032)	(4,719,084)	(703,318)	(10,578,135)
<b>Closing net book amount</b>	<b>2,428,347</b>	<b>2,551,213</b>	<b>1,972,071</b>	<b>6,605,314</b>	<b>43,648,210</b>	<b>2,268,706</b>	<b>59,473,861</b>
<b>At 31 December 2015</b>							
Cost	22,203,788	13,750,079	32,469,229	12,899,510	86,361,237	5,480,890	173,164,733
Less Accumulated depreciation	(19,775,441)	(11,198,866)	(30,497,158)	(6,294,196)	(42,713,027)	(3,212,184)	(113,690,872)
<b>Net book amount</b>	<b>2,428,347</b>	<b>2,551,213</b>	<b>1,972,071</b>	<b>6,605,314</b>	<b>43,648,210</b>	<b>2,268,706</b>	<b>59,473,861</b>

## 16 Property, plant and equipment, net (cont'd)

Separate financial statements							
	Production equipment	Computer	Furniture fixtures and office equipment	Motor vehicles	Office building, studio building and leasehold building improvement	Leasehold studio building improvement	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>For the year ended 31 December 2016</b>							
Opening net book amount	2,428,347	2,551,213	1,972,071	6,605,314	43,648,210	2,268,706	59,473,861
Additions	73,868	329,020	402,045	-	50,600	-	855,533
Disposals and write-off, net	(4,772)	(49,087)	(155,740)	-	(234,990)	(1,415,626)	(1,860,215)
Depreciation	(763,759)	(939,117)	(682,485)	(2,467,523)	(4,196,439)	(216,336)	(9,265,659)
Closing net book amount	1,733,684	1,892,029	1,535,891	4,137,791	39,267,381	636,744	49,203,520
<b>At 31 December 2016</b>							
Cost	16,274,861	11,960,795	23,832,385	12,899,510	80,943,568	931,229	146,842,348
Less Accumulated depreciation	(14,541,177)	(10,068,766)	(22,296,494)	(8,761,719)	(41,676,187)	(294,485)	(97,638,828)
Net book amount	1,733,684	1,892,029	1,535,891	4,137,791	39,267,381	636,744	49,203,520

Depreciation of Baht 1,955,841 (2015: Baht 2,039,368) and Baht 7,309,818 (2015: Baht 8,538,767) are included in cost of providing services and administrative expenses, respectively, in the separate financial statements.

## 16 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		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Cost	3,590,000	3,590,000	3,590,000	3,590,000
<u>Less</u> Accumulated depreciation	(2,169,737)	(1,451,737)	(2,169,737)	(1,451,737)
Net book amount	1,420,263	2,138,263	1,420,263	2,138,263

## 17 Assets for rent, net

	Consolidated				
	Production equipment	Supplies for film production	Motor vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht

### At 1 January 2015

Cost	631,044,395	7,970,702	134,979,576	8,776,062	782,770,735
<u>Less</u> Accumulated depreciation	(402,377,217)	(4,077,175)	(85,508,148)	-	(491,962,540)
Net book amount	228,667,178	3,893,527	49,471,428	8,776,062	290,808,195

### For the year ended 31 December 2015

Opening net book amount	228,667,178	3,893,527	49,471,428	8,776,062	290,808,195
Additions	75,419,195	-	19,832,131	12,774,505	108,025,831
Transfer in (out)	15,607,173	-	4,006,197	(19,613,370)	-
Disposal and write-off, net	(18,545,947)	(453)	(191,021)	-	(18,737,421)
Depreciation (Note 28)	(42,442,153)	(2,361,449)	(8,360,840)	-	(53,164,442)
Closing net book amount	258,705,446	1,531,625	64,757,895	1,937,197	326,932,163

### At 31 December 2015

Cost	698,160,160	6,365,089	156,666,659	1,937,197	863,129,105
<u>Less</u> Accumulated depreciation	(439,454,714)	(4,833,464)	(91,908,764)	-	(536,196,942)
Net book amount	258,705,446	1,531,625	64,757,895	1,937,197	326,932,163

## 17 Assets for rent, net (cont'd)

Consolidated					
	Production equipment	Supplies for film production	Motor vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht
<b>For the year ended 31 December 2016</b>					
Opening net book amount	258,705,446	1,531,625	64,757,895	1,937,197	326,932,163
Additions	41,933,154	-	9,941,503	2,420,107	54,294,764
Transfer in (out)	168,436		2,099,683	(2,268,119)	-
Disposal and write-off, net	(881,052)	(746)	(140,257)	-	(1,022,055)
Depreciation (Note 28)	(47,540,386)	(1,338,025)	(9,904,334)	-	(58,782,745)
Closing net book amount	252,385,598	192,854	66,754,490	2,089,185	321,422,127
<b>At 31 December 2016</b>					
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

Depreciation of Baht 58,782,745 (2015: Baht 53,164,442) 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.

During 2015, additions include Baht 19,730,755 of assets leased under finance leases (where the Group is the lessee).

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

Consolidated		
	2016	2015
	Baht	Baht
Cost	19,730,755	19,730,755
<u>Less</u> Accumulated depreciation	(2,368,864)	(642,248)
Net book amount	17,361,891	19,088,507

## 18 Intangible assets, net

	Consolidated			
	Software	Construction in progress	Copyright	Total
	Baht	Baht	Baht	Baht
<b>At 1 January 2015</b>				
Cost	7,370,645	-	45,500	7,416,145
<u>Less</u> Accumulated amortisation	(6,617,205)	-	-	(6,617,205)
Net book amount	753,440	-	45,500	798,940
<b>For the year ended 31 December 2015</b>				
Opening net book amount	753,440	-	45,500	798,940
Additions	335,550	-	-	335,550
Amortisation	(528,833)	-	-	(528,833)
Closing net book amount	560,157	-	45,500	605,657
<b>At 31 December 2015</b>				
Cost	7,599,175	-	45,500	7,644,675
<u>Less</u> Accumulated amortisation	(7,039,018)	-	-	(7,039,018)
Net book amount	560,157	-	45,500	605,657
<b>For the year ended 31 December 2016</b>				
Opening net book amount	560,157	-	45,500	605,657
Additions	292,942	92,000	-	384,942
Transfer from property, plant and equipment (Note 16)	4,429,296	-	-	4,429,296
Write-off, net	(4,946)	-	-	(4,946)
Amortisation	(1,274,003)	-	-	(1,274,003)
Closing net book amount	4,003,446	92,000	45,500	4,140,946
<b>At 31 December 2016</b>				
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

Amortisation of Baht 1,079,017 (2015: Baht 91,760) and Baht 194,986 (2015: Baht 437,073) are included in cost of providing services and administrative expenses, respectively, in the consolidated financial statements.

## 18 Intangible assets, net (cont'd)

	Separate financial statements			
	Software	Construction in progress	Copyright	Total
	Baht	Baht	Baht	Baht
<b>At 1 January 2015</b>				
Cost	3,448,748	-	45,500	3,494,248
<u>Less</u> Accumulated amortisation	(3,264,100)	-	-	(3,264,100)
Net book amount	184,648	-	45,500	230,148
<b>For the year ended 31 December 2015</b>				
Opening net book amount	184,648	-	45,500	230,148
Additions	257,750	-	-	257,750
Amortisation	(68,070)	-	-	(68,070)
Closing net book amount	374,328	-	45,500	419,828
<b>At 31 December 2015</b>				
Cost	3,706,498	-	45,500	3,751,998
<u>Less</u> Accumulated amortisation	(3,332,170)	-	-	(3,332,170)
Net book amount	374,328	-	45,500	419,828
<b>For the year ended 31 December 2016</b>				
Opening net book amount	374,328	-	45,500	419,828
Additions	12,500	92,000	-	104,500
Disposal and write-off, net	(2)	-	-	(2)
Amortisation	(99,771)	-	-	(99,771)
Closing net book amount	287,055	92,000	45,500	424,555
<b>At 31 December 2016</b>				
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

Amortisation of Baht 99,771 (2015: Baht 68,070) is included in administrative expenses in the separate financial statements.

## 19 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% (2015: 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:

## 19 Deferred income taxes (cont'd)

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	6,138,624	4,123,568	648,843	481,783
Deferred tax asset to be recovered after more than 12 months	5,918,808	5,449,232	2,479,208	2,073,385
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled after more than 12 months	(7,426,155)	(6,408,850)	-	-
Deferred income tax, net	4,631,277	3,163,950	3,128,051	2,555,168

The gross movement of deferred income tax account is as follows:

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
At 1 January	3,163,950	996,095	2,555,168	1,610,939
Charge to profit or loss	1,467,327	916,273	572,883	140,094
Other comprehensive income	-	1,251,582	-	804,135
At 31 December	4,631,277	3,163,950	3,128,051	2,555,168

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.

## 19 Deferred income taxes (cont'd)

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

Consolidated			
	1 January 2016	Credit (debit) to profit or loss	31 December 2016
	Baht	Baht	Baht
<b>Deferred income tax assets</b>			
Allowance for doubtful account	3,895,606	784,477	4,680,043
Employee benefit obligations	5,449,233	469,574	5,918,807
Gain on sales of fixed assets within the Group	1,549	-	1,549
Leased assets under finance lease	229,260	(224,190)	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
	9,575,648	2,484,632	12,060,280
<b>Deferred income tax liabilities</b>			
Inventories and work in process	(2,848)	-	(2,848)
Leased assets under finance lease	-	(129,260)	(129,260)
Depreciation	(6,408,850)	(888,045)	(7,296,895)
	(6,411,698)	(1,017,305)	(7,429,003)
Deferred income taxes, net	3,163,950	1,467,327	4,631,277

Consolidated				
	1 January 2015	Credit (debit) to profit or loss	Credit (debit) to other comprehensive income	31 December 2015
	Baht	Baht	Baht	Baht
<b>Deferred income tax assets</b>				
Allowance for doubtful account	2,641,552	1,254,054	-	3,895,606
Employee benefit obligations	3,746,478	451,173	1,251,582	5,449,233
Gain on sales of fixed assets within the Group	7,512	(5,963)	-	1,549
Inventories and work in process	1,347	(1,347)	-	-
Leased assets under finance lease	5,306	223,954	-	229,260
	6,402,195	1,921,871	1,251,582	9,575,648
<b>Deferred income tax liabilities</b>				
Inventories and work in process	-	(2,848)	-	(2,848)
Depreciation	(5,406,100)	(1,002,750)	-	(6,408,850)
	(5,406,100)	(1,005,598)	-	(6,411,698)
Deferred income taxes, net	996,095	916,273	1,251,582	3,163,950

## 19 Deferred income taxes (cont'd)

Consolidated				
	1 January 2015	Credit (debit) to profit or loss	Credit (debit) to other comprehensive income	31 December 2016
	Baht	Baht	Baht	Baht
<b>Deferred income tax assets</b>				
Allowance for doubtful account	476,477	167,296	-	643,773
Employee benefit obligations	2,073,385	405,823	-	2,479,208
Leased assets under finance lease	5,306	(236)	-	5,070
	2,555,168	572,883	-	3,128,051
Deferred income tax liabilities	-	-	-	-
Deferred income taxes, net	2,555,168	572,883	-	3,128,051

Separate financial statements				
	1 January 2015	Credit (debit) to profit or loss	Credit (debit) to other comprehensive income	31 December 2015
	Baht	Baht	Baht	Baht
<b>Deferred income tax assets</b>				
Allowance for doubtful account	478,363	(1,886)	-	476,477
Employee benefit obligations	1,127,270	141,981	804,134	2,073,385
Leased assets under finance lease	5,306	-	-	5,306
	1,610,939	140,095	804,134	2,555,168
Deferred income tax liabilities	-	-	-	-
Deferred income taxes, net	1,610,939	140,095	804,134	2,555,168

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 46,192,210 and Baht 39,460,241 (2015: Baht 34,503,152 and Baht 31,309,554), respectively, in respect of losses amounting to Baht 230,961,050 and Baht 197,301,204 (2015: Baht 172,515,758 and Baht 156,547,668), respectively, that can be carried forward against future taxable income.

## 20 Trade and other payables

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Trade payable				
- Other companies	7,930,191	16,554,508	741,372	1,688,888
- Related companies (Note 33.3)	899,984	9,630	1,567,216	264,430
Advance received	3,689,169	4,925,277	2,610,874	3,844,964
Fixed assets payables	45,314,299	1,427,503	21,600	742,066
Deposit	18,282,158	1,170,024	-	-
Other payables	2,234,739	2,499,493	32,949	12,650
Accrued expenses	23,390,206	14,976,335	2,143,015	2,382,511
	101,740,746	41,562,770	7,117,026	8,935,509

## 21 Other current liabilities

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Withholding tax deducted at source	3,616,882	3,840,109	888,109	1,123,134
Value added tax	8,891,183	10,776,480	1,471,586	2,790,210
Others	-	2,734,045	-	931,018
	12,508,065	17,350,634	2,359,695	4,844,362

## 22 Borrowings

### a) Long-term bank borrowing

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Current portion of long-term borrowings	42,278,000	19,128,000	-	-
Long-term borrowings payable between				
1 to 5 years	245,176,000	51,454,000	-	-
	287,454,000	70,582,000	-	-

## 22 Borrowings (cont'd)

### a) Long-term bank borrowing (cont'd)

Movements in long-term borrowings from bank for the years ended 31 December 2016 and 2015 are analysed as follows:

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Opening amount as at 1 January	70,582,000	84,290,000	-	-
Additional borrowings	236,000,000	5,000,000	-	-
Repayment of borrowings	(19,128,000)	(18,708,000)	-	-
Closing amount as at 31 December	287,454,000	70,582,000	-	-

Gear Head Co., Ltd. entered into long-term loan agreements with a local commercial bank with credit facility of Baht 110 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 loan 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.

Time Lapse Co., Ltd. entered into long-term loan agreement with a local commercial bank with credit facility of Baht 5 million to improve liquidity and to be used in business operation. This long-term loan carried interest at Minimum Loan Rate (MLR) per annum. The long-term loan of Baht 5 million is repayable in monthly installments from June 2015 to May 2020, at the percentage specified in the loan agreements. The loan is guaranteed by Matching Maximize Solution Public Company Limited.

Matching Broadcast Co., Ltd. entered into long-term loan agreements with a local commercial bank with credit facility of 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 of Baht 236 million is repayable in monthly installments from July 2017 to June 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.

## 22 Borrowings (cont'd)

### a) Long-term bank borrowing (cont'd) borrowing facilities

The Group and the Company have the following undrawn committed borrowing facilities:

	Consolidated statements		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Floating rate				
Expiring beyond one year	284,000,000	20,000,000	-	-

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

	Consolidated			
	Carrying amounts		Fair values	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Long-term bank borrowings	287,454,000	70,582,000	259,245,731	62,590,667

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 5.25% to 6.25% (2015: 6.50%) and are within level 2 of the fair value hierarchy.

### b) Finance lease liabilities

The present value of finance lease liabilities is as follow:

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Not later than 1 year	4,014,832	3,758,056	625,243	569,404
Later than 1 year but not later than 5 years	10,948,198	14,971,957	626,860	1,252,103
Total	14,963,030	18,730,013	1,252,103	1,821,507

## 22 Borrowings (cont'd)

### C) Interest rate

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

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
Bank overdrafts	-	MOR%	-	-
Bank borrowings	MLR-1% and MLR%	MLR%	-	-
Financial lease liabilities	6.00%, 6.25% and 9.39%	6.00%, 6.25% and 9.39%	9.39%	9.39%

## 23 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	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Statement of financial position				
Retirement benefits	30,770,938	27,946,905	12,396,041	10,366,925
Profit or loss charge included in operating profit for:				
Retirement benefits	3,161,333	2,894,569	2,029,116	709,904
Remeasurement for:				
Retirement benefits	-	6,202,011	-	4,020,671

## 23 Employee benefit obligations (cont'd)

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

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
At 1 January	27,946,905	18,850,325	10,366,925	5,636,350
Current service cost	3,560,511	2,203,407	1,738,841	473,096
Interest expense	709,793	691,162	290,275	236,808
Reversal of employee benefit	(1,108,971)	-	-	-
	31,108,238	21,744,894	12,396,041	6,346,254
Remeasurements:				
Loss from change in assumptions				
- mortality rate	-	310,857	-	154,869
- discount rate	-	2,477,246	-	1,211,622
Loss from actual results	-	3,413,908	-	2,654,180
	-	6,202,011	-	4,020,671
Benefit payment	(337,300)	-	-	-
At 31 December	30,770,938	27,946,905	12,396,041	10,366,925

The principal actuarial assumptions used were as follows:

	Consolidated and Company	
	2016	2015
	%	%
Discount rate	2.80	2.80
Inflation rate	3	3
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

## 23 Employee benefit obligations (cont'd)

Sensitivity analysis for each significant assumption

	Impact on defined benefit obligation							
	Change in assumption		Increase in assumption				Decrease in assumption	
	2016	2015	2016	2015	2016	2015	2016	2015
Discount rate	1%	1%	Decrease by 6.46%	Decrease by 6.60%	Increase by 7.41%	Increase by 7.59%		
Salary growth rate	1%	1%	Increase by 8.31%	Increase by 7.45%	Decrease by 7.37%	Decrease by 6.62%		
Turnover rate	20%	20%	Decrease by 7.93%	Decrease by 7.16%	Increase by 9.95%	Increase by 8.91%		
Mortality charge rate	1%	1%	Increase by 0.42%	Increase by 0.37%	Decrease by 0.46%	Decrease by 0.41%		

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 (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employee benefit obligations 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.

## 23 Employee benefit obligations (cont'd)

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 pension obligations are linked to inflation, and higher inflation will lead to higher liabilities.

The weighted average time of retirement benefit plan is 11 years (2015: 12 years).

Expected maturity analysis of undiscounted retirement benefits:

Consolidated					
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht	Baht
At 2016					
Retirement benefits	6,092,581	8,464,286	2,918,122	50,415,050	67,890,039
Total	6,092,581	8,464,286	2,918,122	50,415,050	67,890,039

Consolidated					
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht	Baht
At 2015					
Retirement benefits	2,989,405	6,092,581	11,204,753	55,278,666	74,565,405
Total	2,989,405	6,092,581	11,204,753	55,278,666	74,565,405

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 2016					
Retirement benefits	-	5,123,483	1,537,092	22,533,246	29,193,821
Total	-	5,123,483	1,537,092	22,533,246	29,193,821

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 2015					
Retirement benefits	-	-	6,482,920	22,710,901	29,193,821
Total	-	-	6,482,920	22,710,901	29,193,821

## 24 Share capital and premium on share capital

	Authorised number of shares	Issued and fully paid-up			
		Number of shares	Ordinary shares	Share premium	Total
	Shares	Shares	Baht	Baht	Baht
At 1 January 2015	535,000,000	531,629,851	531,629,851	658,317,844	1,189,947,695
Shares issuance	-	-	-	-	-
At 31 December 2015	535,000,000	531,629,851	531,629,851	658,317,844	1,189,947,695
Decrease in share capital	(3,370,149)	-	-	-	-
Shares issuance	250,000,000	112,399,101	112,399,101	111,242,676	223,641,777
At 31 December 2016	781,629,851	644,028,952	644,028,952	769,560,520	1,413,589,472

As at 31 December 2016, the number of authorised ordinary shares is 781,629,851 shares (2015: 535,000,000 shares) with a par value of Baht 1 each (2015: Baht 1 each). The number of issued and fully paid-up ordinary share is 644,028,952 shares (2015: 531,629,851 shares).

On 7 September 2016, the shareholders at the Extraordinary Shareholders' Meeting No.1/2016 approved the reduction of registered capital of the Company by cancelling the unissued ordinary shares of 3.37 million shares at a par value of Baht 1 each, and approved the increase of registered capital by issuing 250 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 0.4702 newly issued share. The Company registered the decrease and increase in share capital with the Ministry of Commerce on 14 September 2016 and on 15 September 2016, respectively.

During 3 to 7 October 2016, the Company offered its ordinary shares to the existing shareholders, received the proceeding of 112.40 million shares subscription with the par value of Baht 1 each with the offering price of Baht 2 per share, totalling to Baht 224.80 million. The Company registered the paid-up shares with the Ministry of Commerce on 12 October 2016. The Company recorded direct expenses in respect of shares issuance amounting to Baht 1.16 million as a deduction to the share premium. As a result, the issued and paid-up shares capital increased from Baht 531.63 million to Baht 644.03 million, with share premium increased from Baht 658.32 million to Baht 769.56 million.

## 25 Legal reserve

	Consolidated and Company	
	2016	2015
	Baht	Baht
At 1 January	10,658,657	8,309,781
Appropriate during the year	-	2,348,876
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.

## 26 Other income

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Dividends income	-	-	-	45,499,755
Interest income from short-term loans to subsidiaries (Note 33.4)	-	-	8,597,121	10,414,273
Interest income	2,403,371	4,927,488	1,480,543	3,372,078
Management fee income	-	-	360,000	1,326,000
Gain from insurance compensation for assets for rent	924,891	-	-	-
Gains on disposals of property and equipment	591,785	204,988	-	-
Gains on exchange rate	45,455	110,035	-	-
Others	2,281,212	1,965,048	105,300	1,238,801
	6,246,714	7,207,559	10,542,964	61,850,907

## 27 Finance costs

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
<b>Interest :</b>				
Bank borrowings	5,005,684	5,804,918	-	822
Finance lease	1,081,497	557,071	146,972	197,823
	6,087,181	6,361,989	146,972	198,645

## 28 Expenses by nature

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Depreciation - building and equipment	16,980,150	17,278,537	9,265,659	10,578,135
Depreciation - assets for rent (Note 17)	58,782,745	53,164,442	-	-
Amortisation - intangible assets	1,269,747	370,118	99,771	68,070
Staff costs	228,026,170	231,847,403	36,035,201	37,728,957
Employee benefit expense	4,233,366	2,714,637	2,029,116	607,925
Director and executive remuneration	47,010,072	46,997,884	33,826,752	35,720,284
Outsourcing service fee	15,693,625	22,924,490	5,757,000	9,261,977
Operating leases	44,859,200	64,011,169	20,857,189	42,106,881
Commission	3,286,462	3,249,998	400,000	825,000

## 29 Other expenses

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Loss from disposal and write off of property and equipment	2,441,503	5,613,230	1,794,702	5,613,229
Loss from impairment on investment	-	-	45,029,301	13,435,898
Loss from exchange rate	14,498	-	-	-
Doubtful accounts - loans to subsidiaries	-	-	6,250,000	-
	2,456,001	5,613,230	53,074,003	19,049,127

## 30 Income tax

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Current income tax	2,596,483	7,156,503	-	-
Deferred income tax	(1,451,251)	(920,465)	(572,883)	(140,094)
Income tax	1,145,232	6,236,038	(572,883)	(140,094)

Tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of 20% (2015: 20%) as follows:

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Loss before income tax	(61,815,311)	(38,382,245)	(98,077,113)	(8,244,265)
Tax calculated at a tax rate of 20% (2015: 20%)	(12,363,062)	(7,676,449)	(19,615,423)	(1,648,853)
The effect of:				
Joint ventures' results net of tax	644,167	1,958,457	-	-
Revenue not subject to tax	(197,677)	-	-	(9,099,951)
Expenses not deductible for tax purposes	1,438,125	1,407,439	10,922,356	2,907,646
Expenses that can be double deductible	(56,796)	(74,537)	(14,923)	(26,382)
Tax losses for which no deferred income tax asset was recognised	11,680,475	10,610,972	8,135,107	7,727,446
Others	-	10,156	-	-
Income tax	1,145,232	6,236,038	(572,883)	(140,094)

### 31 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	
	2016	2015	2016	2015
Weighted average number of shares (Shares)	556,812,613	531,629,851	556,812,163	531,629,851
Net loss for the year attributable to ordinary shareholders (Baht)	(65,828,501)	(50,239,134)	(97,504,230)	(8,104,171)
Basic loss per share (Baht)	(0.12)	(0.09)	(0.18)	(0.02)

### 32 Commitments and contingencies

#### 32.1 Letter of guarantee

As at 31 December 2016, 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 1.73 million (2015: Baht 3.56 million). The Group used their fixed and saving deposits of Baht 1.73 million (2015: Baht 3.33 million) as collateral for those letters of guarantee.

#### 32.2 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		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Property, plant and equipment	181,995,272	492,575,678	-	-

#### 32.3 Operating leases – where the Group is the lessee

As at 31 December 2016, 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		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Not later than 1 year	7,736,355	8,501,171	1,720,000	1,604,211
Later than 1 year but not later than 5 years	7,600,000	10,830,947	4,985,263	5,985,263
Later than 5 years	10,980,000	11,700,000	10,980,000	11,700,000
	26,316,355	31,032,118	17,685,263	19,289,474

### 32.4 Guarantees

The Company has provided guarantees for long-term bank borrowing in Gear Head Co., Ltd. and Time Lapse Co., Ltd. for a total of Baht 110 million (2015: Baht 110 million) and Baht 5 million (2015: 5 million), respectively (Note 22).

Matching Broadcast Company Limited pledged its land as a security for long-term bank borrowing of Baht 500 million (2015: Nil)

## 33 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 44.65% of the Company's shares. The remaining 55.35% of the shares are widely held. The significant investments in subsidiaries is set out in Note 13.

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.

### 33 Related party transactions (cont'd)

The following material transactions were carried out with related parties

#### 33.1 Revenue from sales and services

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
For the years ended 31 December				
<b>Revenues from show/events organising</b>				
Related company	1,845,723	6,975,952	-	-
<b>Revenues from rental of props</b>				
Related company	-	8,156,598	-	8,156,598
<b>Interest income</b>				
Subsidiaries (Note 33.4)	-	-	8,597,121	10,414,273
<b>Others</b>				
Subsidiaries	-	-	360,000	1,726,000

#### 33.2 Cost and service

	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
For the years ended 31 December				
<b>Cost of services</b>				
Subsidiaries	-	-	3,687,656	4,625,597
Related companies	15,421,239	32,386,275	15,421,239	32,386,275
	15,421,239	32,386,275	19,108,895	37,011,872
<b>Operating expenses</b>				
Subsidiaries	-	-	15,872	17,918
Related companies	2,912,593	3,116,227	1,662,950	1,993,725
	2,912,593	3,116,227	1,678,822	2,011,643
<b>Building rental</b>				
Director	1,122,395	1,122,395	-	-

### 33 Related party transactions (cont'd)

#### 33.3 Outstanding balances arising from sales/purchases of goods/services

As at 31 December	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
<b>Deposit</b>				
Related companies	-	138,000	-	-
<b>Trade accounts payable</b>				
(included in Note 20 "Trade and other payables")				
Subsidiaries	-	-	667,232	254,800
Related companies	899,984	9,630	899,984	9,630
	899,984	9,630	1,567,216	264,430
<b>Accrued expense</b>				
Related companies	179,377	258,000	110,693	173,000

#### 33.4 Short-term loans to subsidiaries, net

For the years ended 31 December	Separate financial statements	
	2016	2015
	Baht	Baht
<b>Subsidiaries</b>		
Beginning balance	146,950,000	182,387,191
<u>Less</u> Allowance for doubtful	-	(14,367,127)
Beginning balance, net	146,950,000	168,020,064
Loans granted during the year	8,450,000	24,200,000
Interest income (Note 33.1)	8,597,121	10,414,273
Reversal of allowance for doubtful	-	14,367,127
Repayments received during the year	(17,150,000)	(59,446,000)
Interest received during the year	(8,597,121)	(10,605,464)
<u>Less</u> Allowance for doubtful	(6,250,000)	-
Ending balance, net	132,000,000	146,950,000

Loans to subsidiaries are in form of promissory notes, carry interest at the rate of 6.00% per annum (2015: 6.00% per annum) and are due at call. Loans are unsecured.

### 33 Related party transactions (cont'd)

#### 33.5 Directors and executive remuneration

For the years ended 31 December	Consolidated		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht

#### Short-term benefit

Directors	47,010,072	46,997,884	33,826,752	35,720,284
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### 34 Event occurs after the reporting date

On 22 February 2017, the Board of Directors' Meeting No. 2/2017 approved the allotment and issuance of ordinary shares remaining from previous Right Offering as per the resolution of the Extraordinary Shareholders' Meeting No. 1/2559 held on 7 September 2016, totalling 137,600,899 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.

## • General Information •

<b>Company Name</b>	<b>: Matching Maximize Solution Public Company Limited</b>
Type of Business	: TV program production, TV commercials production, and subsidiaries operating the equipment rental business, the postproduction business and the rental studio
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
Homepage	: <a href="http://www.matchingggroup.com">www.matchingggroup.com</a>
Registered capital as of 31 December 2016	: Baht 781,629,851
Paid-up capital as of 31 December 2016	: Baht 644,028,952

### General Information - Subsidiaries Company

<b>Company Name</b>	<b>: Gear Head Co., Ltd.</b>
Type of Business	: Offer Equipment rental and services
Head Office	: No.173/13-14 Phahonyothin 44 Soi , Phahonyothin Road, Senanikom Chatuchak , Bangkok.
Telephone	: 0-2940-0787-90
Fax	: 0-2940-0318
Homepage	: <a href="http://www.matchingggroup.com">www.matchingggroup.com</a>
Registered capital as of 31 December 2016	: Baht 175,500,000

<b>Company Name</b>	<b>: Time Lapse Co.,Ltd.</b>
Type of Business	: To production, editing,visual effect, the audio visual of film and all types of media and business related
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
Homepage	: <a href="http://www.matchingggroup.com">www.matchingggroup.com</a>
Registered capital as of 31 December 2016	: Baht 40,000,000

<b>Company Name</b>	<b>: The Studio Park (Thailand) Co., Ltd.</b> (Former “Matching Boardcast Co.,Ltd.”)
Type of Business	: Studio Rental
Head Office	: No.305/12, Soi Sukhothai 6, Sukhothai Road, Dusit Sub-district, Dusit District, Bangkok 10300
Branch	: No.999 Moo 2 Bangbo Sub-district , Samutprskan Province
Telephone	: 0-2669-4200-9
Fax	: 0-2243-4124 , 0-2243-1494
Homepage	: <a href="http://www.matchinggroup.com">www.matchinggroup.com</a>
Registered capital as of 31 December 2016	: Baht 780,000,000

<b>Registrar</b>	<b>: Thailand Securities Depository Co., Ltd</b>
Type of Business	: Securities Depository
Office	: 93 Rachadapisek Road, Dindaeng Sub-district, Bangkok, 10400
Telephone	: 0-2009-9000
Fax	: 0-2009-9991
Homepage	: <a href="http://www.set.or.th/tsd">www.set.or.th/tsd</a>

#### Auditor

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

#### Legal Advisor

<b>Name</b>	<b>: Siam Premier International Co.Ltd.</b>
Office	: 26 <sup>th</sup> Floor, Central World, No. 999/9 Rama I Rd, Pathumwan, Bangkok 10330
Telephone	: 0-2646-1888
Fax	: 0-2646-1919
Homepage	: <a href="http://www.siampremier.co.th">www.siampremier.co.th</a>





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