



ANNUAL REPORT 2019

Major Cineplex Group Public Company Limited



Organizational goals

Major Cineplex Group Public Company Limited has a target to expand the number of cinemas to 1,200 screens, throughout Thailand and CLMV within 2025 and to support the development of Thai movies for better quality in order to gain potential of Thai movies production with more quality and quantity for serving domestic audiences and for exporting Thai movies to foreign market as well as to be a part of creating entertainment and learning opportunities from movie media to create good things, knowledge, inspiration, happiness and smiles for the community.

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The Proud

“No.1 Cinema Awards in Thailand”

No.1 Brand Thailand 2018-2019 prize, the number one popular brand in Thailand in the category of Entertainment Complex (Cinema) from the research of popular brands that is surveyed by Kadence International (Thailand) Company Limited with a sample of real users across the country that is organized by Marketeer magazine.

“SUPERBRANDS THAILAND”

The company has received awards for 11 consecutive years since 2008-2018 according to the goal and policies of Major Cineplex Group which is the leader in seeking the best innovation and new technology for our clients to experience before anyone else and for every movie lovers to be full of an entertainment experience beyond imaginations as the slogan “Sharing the world’s best entertainment dreams”. The company has been selected according to the criteria of super brand in 3 aspects which are brand quality, the relationship between the brand and the consumer, and the brand identify. The three aspects are organized from the SUPERBRANDS THAILAND.

“Influential Brands”

The company also received the influential brands awards for the top Gen Y consumers of the year 2019 that emphasizing the leadership of the number one cinema that has won the hearts of Gen Y consumers. It has been organized by Neo Target Company Limited from 7 countries which were Singapore, Malaysia, Indonesia, Vietnam, Philippines, China, and Thailand.

“SET AWARDS 2019

Outstanding Investor Relations Awards 2019”

Ms. Suparee Jayapoom (3rd from the left), Head of Investor Relations, , represented MAJOR to receive the award “**Outstanding Investor Relations**” of the year 2019. This award is granted to listed companies with 10-30 billion baht market capitalization which have had outstanding performance with respect to investor relations activities. This award also reflects the potential and ability of listed companies to operate and their readiness to become model organizations in the capital market. The award granting ceremony took place at the



event “SET Awards 2019” at the Stock Exchange of Thailand, organized by the Stock Exchange of Thailand in collaboration with the Journal of Finance and Banking.

“Top Business Organization 2019”

Received the Top Business Organization 2019 : Best Lifestyle & Entertainment awards that is organized by The Thailanders magazine.

Financial Highlights

As of December 31	2017	2018	2019
Revenue Bt.million	8,972	9,952	10,697
EBITDA Bt.million	2,948	2,991	2,943
Net profit Bt.million	1,193	1,284	1,170
EBITDA margin (%))	33	30	28
Net margin (%)	13	13	11
Total assets Bt.million	13,808	14,074	14,006
Total liabilities Bt.million	7,309	7,442	7,399
Total equity Bt.million	6,499	6,632	6,607
Number of shares million	894.7	894.7	894.7
Book value Bt.	7.26	7.41	7.38
Earnings per share Bt.	1.33	1.43	1.31
Dividend per share Bt.	1.25	1.35	1.35
Dividend payout (%)	93.98	94.10	103.23
Net interest-bearing D/E	0.65	0.51	0.48
Return on assets (%)	11.33	12.06	11.21
Return on equity (%)	18.29	19.86	18.05

Milestone

In 2019, Major continued impressive growth

January 2019

- Opening of Major Cineplex at ITEC Vientiane, Laos with 4 theaters.
- Opening of Major Cineplex at Lotus Ban Suan with 2 theaters.
- Opening of Major Cineplex at Lotus Chom Thong with 1 theaters.
- Opening of Major Cineplex at Lotus Ang Thong with 2 theaters.

May 2019

- Opening of Major Cineplex at Lotus Dat U-dom with 2 theaters.

July 2019

- On 4 Jul 2019, Major Cineplex Group Company Limited has established a new company namely Tai Major Co.,Ltd. to produce Thai film studio. The Company will own 60%.

August 2019

- Opening of Major Cineplex at Lotus Rama 2 with 3 theaters.
- Major Cineplex Group Public Company Limited would like to inform that The Extraordinary General Meeting of Shareholders No.1/2019 held on dated 28 August 2019 of Major Holding International Co., Ltd. (Subsidiary) The Company holds 99.96% of the registered capital.

- The Extraordinary General Meeting of Shareholders has resolved a special resolution to decrease the registered capital from the existing registered capital of Baht 40,000,000 (400,000 Shares at the par value of Baht 100 per share) to be Baht 30,000,000 (300,000 Shares at the par value of Baht 100 per share) by reducing the number of share for 100,000 shares at the par value of Baht 100 per share as the operation of Major Holding International Co., Ltd. requires small amount of working capital, and the amount of registered capital to be decreased is sufficient for the Company's operation.

October 2019

- Opening of Major Cineplex at Big C Poipet Cambodia with 2 theaters.

November 2019

- On 8 Nov 2019, Cineplex Group Company Limited has invested in CRACKED Film Joint Venture. The Company will own 20%
- Opening of Major Cineplex at Robinson Ladkrabang with 2 theaters.
- Opening of EGV at Big C Pak Chong with 3 theaters.

December 2019

- Opening of Major Cineplex at Kadsuankaew, Chiang Mai with 6 theaters.
- Opening of EGV at Lotus Saraburi with 2 theaters.

Message from Chairman of the Board of Directors and Chief Executive Officer

Despite sluggish economic conditions and slow economic business in 2019, it was one of the most challenging year for all of the private sector in Thailand. Major Cineplex Group Plc. has kept growing business under its strategic plan by expand new screen across nationwide and CLMV, enhancing existing locations for greater potential also continued to carry on its long-term business plan.

MAJOR has based its conduct on the philosophy of sustainable business under good governance, transparency, resistance to fraud, ethics, and responsibility to all stakeholders for creating value for all stakeholders society and environment.

Major Cineplex Group Public Company Limited has strong potential to drive further with its obvious progress, while the core business also demonstrated strength from the 2019 operation result. The Company remained committed to creating and promoting the growth of industry. It had restructured its business to achieve maximum efficiency and invest continually to expand its network of comprehensive entertainment centers so as to lay a solid foundation for future growth.

Moreover, the Company encouraged the film industry to grow by expanding its theatre branches nationwide including the CLMV countries. It also pushed the film industry to international standards and be able to expand markets in overseas. This was a strategic development for the industry to sustainable growth. Over the last several years, advertising business of the Company has grown continually coupled with the growth of market share of cinema advertising. It has become an important part of the Company's profits due to revenue being generated by existing assets such as cinema advertising and so on. In the meantime, the Company has also implemented sales of advertising media in various ways. This allows a wider customer base, and several kinds of media can reach consumers well. The Company is then confident that its advertising business can generate increasing revenue in 2019.

Meanwhile, the Company also determined to maximize revenue while continue to manage operating cost and administrative expense management for the greater of revenue and net profit growth manipulate efficiency cost and expense reduction, including with regard utilized technology to apply various processes, such as customer service, marketing communication through online channels to present marketing activities more extensively to saving energy and reduce operating costs. Also with the procurement process, which added efficiency to cost and expense management while constantly retain our profitability as well as to maintain and manage financial status prudently along with looking for opportunities to add value to the Company.



Mr. Somjainuk Engtrakul
Chairman of the Board



Mr. Vicha Poolvaraluk
Chief Executive Officer

Report of the Audit Committee

The Audit Committee of Major Cineplex Group Public Company Limited is comprised of three independent directors. The Audit Committee is empowered by the Board of Directors to review plan, information relevant to financial report and also related transactions which may have the company's conflict of interest. The Committee pursues and promotes good corporate governance by actively creating awareness and providing advice to management on internal control practices.

For the fiscal year 2019, the Audit Committee held eight meetings. In such meetings, the Committee met the Company's Management, Head of Internal Auditor and External Auditors.

Each meeting, the Audit Committee conducted reviews and evaluations of accounting policies, the procedures relative to the accounting policies, the internal control assessment and the audit plan. The Audit Committee also reviewed and approved financial statements, and provided recommendations to the Board of Directors in which weaknesses were identified in internal controls, corrective action plans were established to eliminate or reduce the associated risks. From such performance, the Audit Committee provided the following opinions:

1. The Company's 2019 financial reports are accurate, complete and reliable.
2. The Company's assets are safeguarded, proper accounting records are maintained, and resources are utilized effectively and efficiently.
3. The related transactions arising in 2019 were rational and made for the optimal benefits of the Company.
4. The Company complied with the good corporate governance policy, the code of business conduct, the securities laws, the Exchange's regulations, and other laws relating to the Company's business.
5. The company has an adequate and appropriate internal control system for operating the business in which the Internal Auditor serves to identify and verify business risks and control weaknesses within the Company by carrying out audit activities systematically. The reports on compliance with good internal control practices and procedures with recommendations were discussed with the relevant management team to incorporate their agreed action plans and submitted to the Audit Committee. Furthermore, the Internal Auditor has held regular meetings with the Audit Committee to give updates on audit results. The Audit Committee is fully committed to ensuring that both corrective and preventive actions are taken in an effective and timely manner.
6. The Company has its standard and procedure to consistently prevent corruptions, frauds and misbehaviors according to the Whistle Blower procedure under the Corporate Governance Policy of the Company.

Accordingly, the Audit Committee has recommended to the Board of Directors that Mr.Kajornkiet Aroonpirodjanakul Certified Public Accountant No.3445 Miss Nuntika Limviriyalers Certified Public Accountant No.7358 and Miss Tithinun Vankeo Certified Public Accountant No. 9432 of PricewaterhouseCoopers ABAS Company Limited, be appointed as the Company's auditor for the fiscal year ending 31 December 2020. The appointment of the auditor and acceptance of its fees will be subjected to the approval of the shareholders at the Annual General Meeting to be held on 9 April 2020.



Mr. Chai Jroongtanapibarn

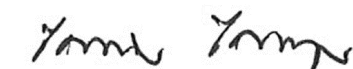
Chairman of the Audit Committee

Report of the Nomination and Remuneration Committee

In 2019, the Nomination and Remuneration Committee performed its duties in nominating 3 directors to replace a director who left office at the annual general meeting of shareholders for the year 2019, namely (1) Mr. Somchainuk Engtrakul, Chairman of the Board of Directors/Independent Director (2) Mr. Vicha Poolvaraluk, Chief Executive Director/Director and (3) Mr. Vichai Poolvaraluk, Director. The committee considered the qualification, knowledge, capability, experience, good work history, and ethic. As a result, the 3 directors were nominated to be re-elected, which was approved by the board of directors and the Annual General Shareholder's Meeting.

And performed its duties in setting remunerations for the Board of Director and sub-committees namely Audit Committee, Executive Committee and Nomination and Remuneration Committee who were not the company's executives or employees by considering their duties, scope of responsibilities, which were equal to the remunerations paid to directors in listed companies of the same size and in the same industry, as well as considering the company's performance, business environment and the overall economy. The remunerations were submitted to the board of directors and the annual general meeting of the shareholders for approval. In 2019, the nomination and remuneration committee convened one time.

The Nomination and Remuneration Committee performed its assignments with prudence, transparency and independence in accordance with good corporate governance and in the interest of the company and all stakeholders. This practice was in line with the policy and criteria of the Nomination and Remuneration Committee.



Mr. Kraithip Krairiksh

Chairman of the Nomination and Remuneration Committee

Report of the Risk Management Committee

The Board of Directors of Major Cineplex Group Public Company Limited (MAJOR) resolved to appoint the Risk Management Committee in the 3/2019 Board of Directors meeting, convened on August 9, 2019. The Risk Management Committee currently comprises 3 directors, namely Dr. Satian Pooprasert Independent Director, serving as Chairman of the Risk Management Committee, and Mr. Chai Jroongtanapiban Independent Director and Mr. Veerawat Ongvasith Director, serving as members of the Risk Management Committee.

The scope of the responsibilities of the Risk Management Committee has been prescribed by the Board of Directors to adhere to the Risk Management Committee Charter under MAJOR's Enterprise Risk Management (ERM) Framework, which is consistent with the COSO ERM Framework and ISO31000.

In 2019, the Risk Management Committee convened a total of 1 meetings, with all its members present in all meeting. The summary of its operations is provided below.

1. Formulated and reviewed MAJOR's Enterprise Risk Management to ensure appropriateness and consistency with MAJOR's strategic plans and operations amidst shifting circumstances.
2. Monitored, assessed and offered recommendations on MAJOR's operations and Investment projects on a regular basis (at least once every two months) to ensure that the management maintained MAJOR's operations within its risk appetite, as well as produces concrete and pragmatic mitigation plans to promptly minimize potential damage.
3. Reported the result of MAJOR's Enterprise Risk Management to the BOARD of Directors.



Dr. Satian Pooprasert

Chairman of the Risk Management Committee

Report of the Corporate Governance Committee

Good corporate governance and a code of conduct are part of the core mission to which MAJOR always committed. They are considered crucial factors that drive the organization toward sustainable success and toward the acceptance, both at national and international levels, as a business entity with a good standard of business management in line with good corporate governance. To this end, the Board of Directors (the Board) appointed the Corporate Governance Committee (CGC) on December 18, 2019 to establish guidelines and define corporate governance practices, the Code of Conduct and business ethics, sustainability management and anti - corruption.

The Committee consists of 3 (Three) from the Board of Committee, chaired by Mr. Kraithip Krairiksh (Independent Director) and Dr. Satian Pooprasert (Independent Director). This year one meetings were held by the committee, with the following highlights;

1. Development of Guidelines and Rules for Corporate Governance

MAJOR benchmarked its current practices on corporate governance against Corporate Governance Code for Listed Companies 2017 (CG Code 2017) by the Office of the Securities and Exchange Commission (SEC), and discovered that most of the current practices corresponded with such code. However, there was a matter found not aligning with CG Code 2017, which was already incorporated as an additional CG practice. This matter concerns Success Planning, Criteria for Suppliers/Contractors, Holding of Position by Chief Executive Officer and the self-assessment of the Board of Committee and Chief Executive Officer.

2. Agreement on the Corporate Governance Committee Charter

The Corporate Governance Committee agreed on the Corporate Governance Committee Charter, which was updated to reflect the authority and responsibilities that were assigned to the Committee by the Board of Directors. The Committee deemed it fit to propose the Charter to the Board of Directors for their further consideration and approval.

3. Acknowledgement of the Progress on the Corporate Governance Plan and Sustainability Project (ESG of the Corporate Governance Sub-Committee, 2019)

The Corporate Governance Committee acknowledged the progress of the corporate governance plan and Sustainability Project for 2019 developed by the Corporate Governance Sub-Committee, which included the implementation of the IT Governance Program, the Internal Controls System Development Program, Personal Data Protection Policy, and Grievances Management and Whistleblower Protection Guidelines, among others. The Committee also provided recommendations to increase the efficiency of plan implementation.

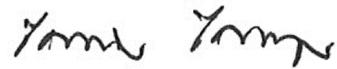
4. Acknowledgement of the results of the Corporate Governance Report (CGR) for 2019

The Corporate Governance Committee acknowledged the Company's results on Corporate Governance as published in the Corporate Governance Report of Thai Listed Companies for 2019 by the Thai Institute of Directors (IOD), where the results were at the 'Very Good' level.

5. Acknowledgement of the Report on the Implementation of the Corporate Governance Policy and the Anti-Corruption Policy

The Corporate Governance Committee acknowledged the report on the implementation of the Corporate Governance Policy and Anti-Corruption Policy. Communication and awareness-raising on corporate governance, and encouraging employees to adhere to corporate governance principles and the Anti-Corruption policy in their behaviors in 2019.

The Corporate Governance Committee underlines Company's commitment to good corporate governance and the Code of Conduct. The Company continue to promote and improve Company's sustainability management and anti - corruption endeavors, a crucial driving force to achieve management excellence through transparent, fair and accountable operation. The Company strive to increase the effectiveness of the operation to be on a par with international standards and to gain trust and recognition from stakeholders, for this will ultimately bring the Company to sustainable growth.



Mr. Kraithip Krairiksh

Chairman of the Corporate Governance Committee

Directors & Management Team



Mr. Somchainuk Engtrakul Age 75

Chairman of the Board of Directors and Independent Director

Date of being a director 1 August 2004

% of Shareholding -

Education

- Ph.D (Honorary Degree) in Public Administration, Sripatham University
- Bachelor of Laws, Sripatham University
- B.A.(Economics), UPSALA College , U.S.A

Last 5 years work experience

Listed Company

- 2004 - Present : Chairman of the Board of Directors and Independent Director, Major Cineplex Group Plc.

- 2008 - Present : Chairman of the Board of Directors, Energy Absolute Plc.
- 2008 - Present : Chairman of the Board of Directors, Vejthani Plc.
- 1995 - Present : Chairman of the Board of Directors, Dhipaya Insurance Plc.

Non – Listed Company

- 2008 - Present : Director, Siam Piwat Co., Ltd.
- 2000 - Present : Director, Siam Piwat Holding Co., Ltd.

Director Training Program

- Role of the Chairman Program (RCP) Class 9/2006
- Director Accreditation Program (DAP) Class 98/2012
- National Defense College of Thailand Class 35, the National Defense College



Mr. Vicha Poolvaraluk Age 56

Director and Chief Executive Officer

Date of being a director 23 February 2002

% of Shareholding 29.62%

Education

- Master Degree of Business Administration, United States International University of San Diego, U.S.A.
- Bachelor Degree of Business Administration, Chulalongkorn University

Last 5 years work experience

Listed Company

- 1995 - Present : Director and Chief Executive Officer, Major Cineplex Group Plc.
- 2008 - Present : Director and Vice Chairman of the Board of Directors, M Pictures Entertainment Plc.

- 2003 - Present : Director, Siam Future Development Plc.

Non – Listed Company

- 2012 - Present : Chairman of Executive Committee, Major Care Foundation
- Director, Member Activities, Chulalongkorn University Alumni Association

Director Training Program

- Director Certification Program (DCP) Class 9/2003



Mrs. Paradee Poolvaraluk Age 58

Director and Executive Director

Date of being a director 23 February 2002

% of Shareholding 2.05%

Relationship with Management

- Chairman's spouse

Education

- Master Degree of Business Administration, United States International University of San Diego, U.S.A.
- Bachelor Degree of Business Administration, Chulalongkorn University

Last 5 years work experience

Listed Company

- 1998 - Present : Director and Executive Director, Major Cineplex Group Plc.

Non – Listed Company

- None -



Mr. Verawat Ongvasith Age 49

Director and Executive Director

Date of being a director 23 February 2002

% of Shareholding 0.11%

Relationship with Management

- Younger brother of the Chairman's spouse

Education

- Master Degree of Business Administration, Boston University, U.S.A.
- Bachelor Degree of Business Administration, Chulalongkorn University

Last 5 years work experience

Listed Company

- 2002 - Present : Director and Executive Director, Major Cineplex Group Plc.

- 2013 - 2017 : Director, M Pictures Entertainment Plc.
- 2003 - Present : Director, Siam Future Development Plc.
- 2003-2014 - Present : Chief Executive Officer, Veranda Resort Plc.

Non – Listed Company

- None-

Director Training Program

- Director Accreditation Program (DAP) Class 22/2004



Mr. Chai Jroongtanapibarn Age 65

Independent Director and Chairman of Audit Committee

Date of being a director 23 February 2002

% of Shareholding 0.08%

Education

- Master Degree of Accounting, Thammasart University
- Bachelor Degree of Accounting, Chulalongkorn University

Last 5 years work experience

Listed Company

- 2017 - Present: Independent Director, Chairman of the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee, Major Cineplex Group Plc.
- 2002 - 2017: Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee, Major Cineplex Group Plc.
- 2018 - Present: Chairman of the Board of Directors and Independent Director, Veranda Resort Plc.

- 2018 - Present: Chairman of the Board of Directors and Independent Director, Veranda Resort Plc.

- 2007 - Present: Independent Director, Audit Committee and Chairman of Risk Management Committee, Siam Food Products Plc.

- 2006 - Present: Independent Director, Audit Committee, Chairman of Risk Management Committee and Good Corporate Governance Committee, Oishi Group Plc.

- 2004 - Present: Independent Director, Chairman of the Board of Directors and Chairman of the Audit Committee TMT Steel Plc.

- 2003 - Present: Independent Director, Siam Future Development Plc.

- 2000 - Present: Independent Director and Chairman of the Audit Committee, Team Precision Plc.

Non - Listed Company

- None -

Director Training Program

- Director Certification Program (DCP) Class 29/2003
- Audit Committee Program (ACP) Class 24/2005



Mr. Vallop Tangtrongjit Age 68

Independent Director and Audit Committee

Date of being a director 23 February 2002

% of Shareholding -

Education

- Master Degree of Business Administration, Chapman University, U.S.A.
- Bachelor Degree of Business Administration, San Diego University, U.S.A.

Last 5 years work experience

Listed Company

- 2002 - Present : Independent Director and Audit Committee, Major Cineplex Group Plc.

Non - Listed Company

- 2003 - Present : Managing Director, Potara Co., Ltd.

Director Training Program

- Financial Statement for Director (FSD) Class 2/2008
- Director Certification Program (DCP) Class 104/2008
- Directors Accreditation Program (DAP) Class 27/2004
- Finance for Non - Finance Directors (FND) Class 16/2005



Mr. Kraithip Krairiksh Age 64

Independent Director and Audit Committee

Date of being a director 8 May 2015

% of Shareholding -

Education

- Master of Arts in Economics, Northeastern University, U.S.A.
- Bachelor of Arts in Economics, Tufts University, U.S.A.

Last 5 years work experience

Listed Company

- 2017 - Present : Independent Director, Audit Committee and Chairman of the Nomination and Remuneration Committee, Major Cineplex Group Plc.
- 2017 - Present : Independent Director, Asean Potash Chaiyaphum Plc.
- 2015 - 2016 : Independent Director, Audit Committee and the Nomination and Remuneration Committee, Major Cineplex Group Plc.
- 2013 - Present : Chairman of the Board of Directors,

Pace Development Corporation Plc.

- 2009 - Present : Independent Director and Audit Committee, Samitivej Plc.

- 2008 - Present : Independent Director and Audit Committee, Vanachai Group Plc.

Non - Listed Company

- 2009 - Present : Chairman of the Board of Directors, KT ZMICO Securities Co., Ltd.

- 2004 - Present : Director, Capital Market Development Fund Foundation

Director Training Program

- Corporate Governance for Capital Market Intermediaries Class 3/2015
- Director Accreditation Program (DAP) Class 42/2005
- The Urban Development & Administration Training Course for the Executive Administrator (BMA.1), Urban Green Development Institute
- National Defense College, The Joint State - Private Sector Course Class 16



Pol. Sub.Lt. Kriengsak Lohachala Age 77

Independent Director

Date of being a director 25 June 2009

% of Shareholding -

Education

- Doctor of Public Administration, Ramkhamhaeng University
- Master of Public Administration, Kent State University, U.S.A.
- Bachelor of Laws, Thammasat University

Last 5 years work experience

Listed Company

- 2009 - Present : Independent Director, Major Cineplex Group Plc.
- 1995 - Present : Independent Director and Audit Committee, Pricha Group Plc.

Non - Listed Company

- 2014 - Present : Chairman of Bangkok Metropolitan Council

- 2012 - Present : Chairman of the Advisory, Major Care Foundation

- Consultant, Bureau of the Crown Property

- Member, Ruk Muangthai Foundation

- Member, Rajaprajanugroh Foundation under the Royal Patronage

Director Training Program

- Director Accreditation Program (DAP) Class 7/2004



Mr. Wichai Poolvaraluk Age 57

Director

Date of being a director 5 April 2005

% of Shareholding -

Relationship with Management

- Cousin of Chairman

Education

- Bachelor Degree of Economics, Thammasat University
- Modern Managers Program (MMP) class10, Faculty of Commercial and Accountancy, Chulalongkorn University
- Program Executives Capital Market Academy (CMA.) Class.1

Last 5 years work experience

Listed Company

- 2005 - Present : Director, Major Cineplex Group Plc.
- 2007 - 2013 : Chairman of the Board of Directors, International Research Corporation Plc.

Non – Listed Company

- 2013 - Present : President, Worluk Property Co., Ltd.
- Sub-committee for Construction of SET, The Stock Exchange of Thailand (SET)
- Committee Member, Thammasat Economics Association

Director Training Program

- Director Certification Program (DCP) Class 8/2001



Dr. Satian Pooprasert Age 67

Independent Director

Date of being a director 15 February 2013

% of Shareholding -

Education

- Bachelor of Medicine, Ramathibodi Hospital, Mahidol University
- Resident in Internal Medicine, Christ's Hospital, Oaklawn, U.S.A.
- American Board Internal Medicine Degree
- Fellow in Rheumatology at Loma Linda University, CA, U.S.A.
- American Board Rheumatology Degree

Last 5 years work experience

Listed Company

- 2013 - Present : Independent Director, Major Cineplex Group Plc.

- 2019 - Present : Vice President, Praram 9 Hospital Plc.
- 2003 - Present : Managing Director, Praram 9 Hospital Plc.
- 1992 - Present : Director, Praram 9 Hospital Plc.
- 2015 - Present : Chairman of the Board of Directors, Pioneer Motor Plc.

Non – Listed Company

- 2011-Present : Directors of The Foundation of International Education (FIE), NIST International School
- 1995 - Present : Executive of Directors, Rely (Thailand) Co., Ltd.

Director Training Program

- Director Certification Program (DCP) 82/2006
- Director Accreditation Program (DAP) 142/2017
- The Role of Chairman Program (RCP) 36/2015



Mr. Thanakorn Puriwekin Age 63

Director and Chief Films Officer

Date of being a director 22 April 2004

% of Shareholding 0.05%

Education

- Master Degree of Business Administration, United States International University of San Diego, U.S.A.
- Bachelor Degree of Business Administration, Bangkok University

Last 5 years work experience

Listed Company

- 1995 - Present : Director, Major Cineplex Group Plc.
- 2013 - Present : Director, Chief Executive Officer, M Pictures Entertainment Plc.
- 1995 - 2017 : Chief Films Officer, Major Cineplex Group Plc.

Non – Listed Company

- Present : Director, EGV Entertainment Plc.

Director Training Program

- Director Accreditation Program (DAP) Class 22/2004



Mr. Kitikorn Poomsawang Age 65

Chief Construction Officer

% of Shareholding 0.0034%

Education

- Thonburi Commercial Collage

Last 5 years work experience

- 2013 - Present : Chief Construction Officer, Major Cineplex Group Plc.
- Present : Director, EGV Entertainment Plc.



Mrs. Jinda Wantanahatai Age 56

Chief Retail Officer

% of Shareholding 0.01%

Education

- Bachelor Degree of Arts, Chandrakasem Rajabhat University

Last 5 years work experience

- 2008 - Present : Chief Retail Officer, Major Cineplex Group Plc.
- 2006 - 2008 : Director of Retails Business, Major Cineplex Group Plc.



Mr. Niti Pattanapakdee Age 46

Chief Media Officer

% of Shareholding -

Education

- Bachelor Degree of Business Administration, Assumption University
- Master Degree, Kantana Institute

Last 5 years work experience

- 2018 - Present : Chief Media Officer, Major Cineplex Group Plc.
- 2002 - 2018 : Chief Executive Officer, Kantana Group Public Company Limited



Mr. Apichart Kongchai Age 53

Chief Cinema Officer

% of Shareholding 0.0031%

Education

- MBA, Concentration Hotel & Restaurant Management, New Haven University CT, U.S.A.
- Bachelor of Science Sociology and anthropology, Chiangmai University

Last 5 years work experience

- 2013 - Present : Chief Cinema Officer, Major Cineplex Group Plc.
- 2009 - 2013 : Director, Major Cineplex Group Plc.



Ms. Thitapat Issarapornpat Age 51

Chief Finance Officer and Company Secretary

% of Shareholding 0.0045%

Education

- Master of Business Administration, Chulalongkorn University
- Bachelor of Business Administration, Major in Accounting, Ramkhamhaeng University

Last 5 years work experience

- 2013 - Present : Chief Finance Officer, Major Cineplex Group Plc.
- 2012 - Present : Director and Treasurer, Major Care Foundation
- 2011 - Present : Company Secretary, Major Cineplex Group Plc.

- Present : Director, EGV Entertainment Plc.
- Present : Director, Siam Future Development Plc.
- Present : Director, M Pictures Entertainment Plc.
- Present : Director, CJ Major Entertainment Co., Ltd.



Mr. Apirak Vorachanon Age 46

Chief People Officer

% of Shareholding 0.0002%

Education

- Master of Art, Major: Population Education, Mahidol University
- Bachelor of Business Administration, Major: Personnel Management, Thai Commercial Chamber University

Last 5 years work experience

- 2017 - Present: Director, M Pictures Entertainment Plc.

- 2017 – Present: Chief People Officer -People Support Center, Major Cineplex Group Plc.
- 2013 – 2017 : Director -People Support Center, Major Cineplex Group Plc.
- 2006 – 2013 : Assistant Director, People Management - Distribution & Sales, True Corporation Plc.



Mr. Narute Jiensnong Age 37

Chief Marketing Officer

% of Shareholding -

Education

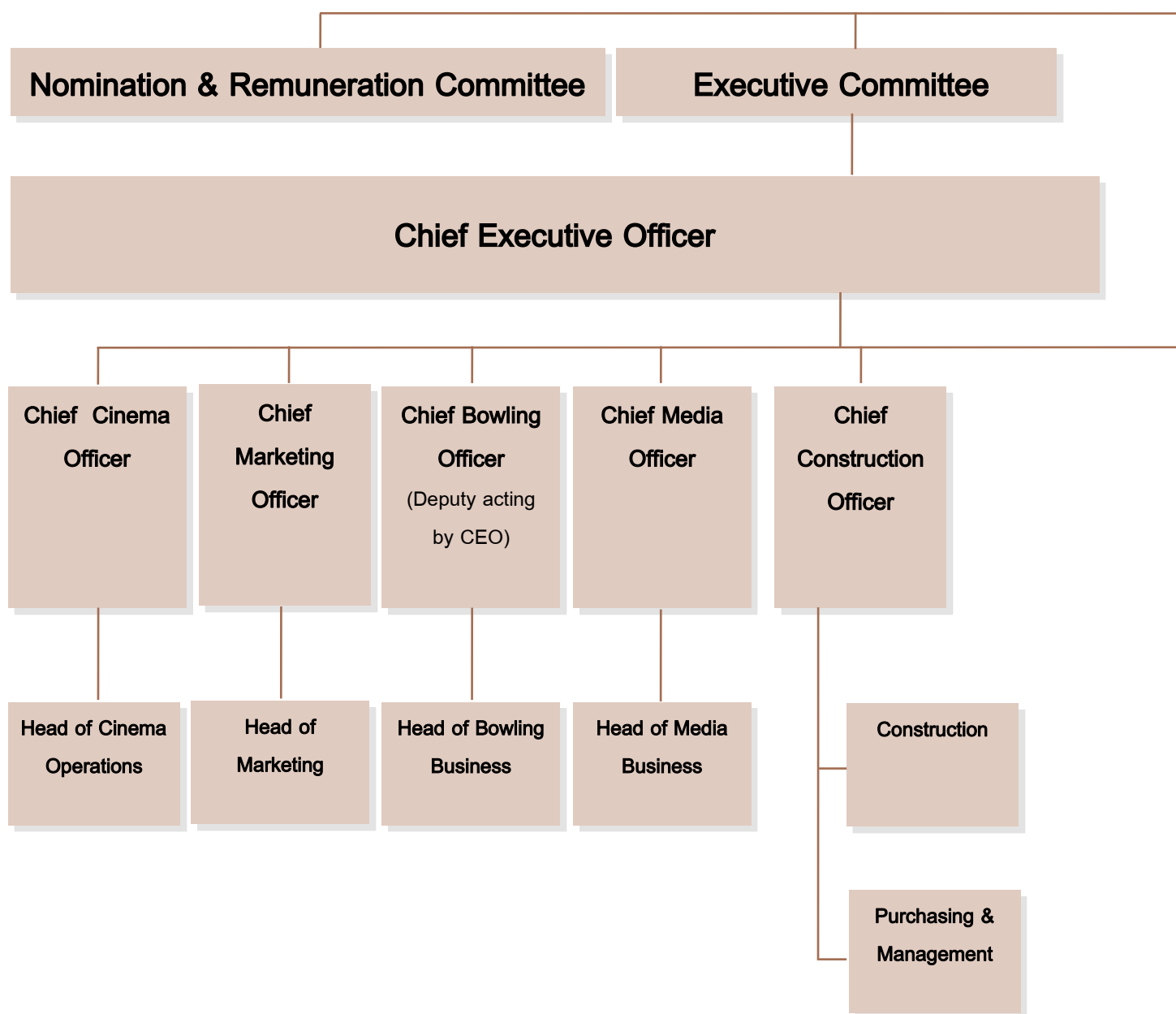
- Thammasat University, Master of Marketing (International Program) (MIM)
- Thammasat University, Faculty of Political Science Major in International Relations, Minor in English

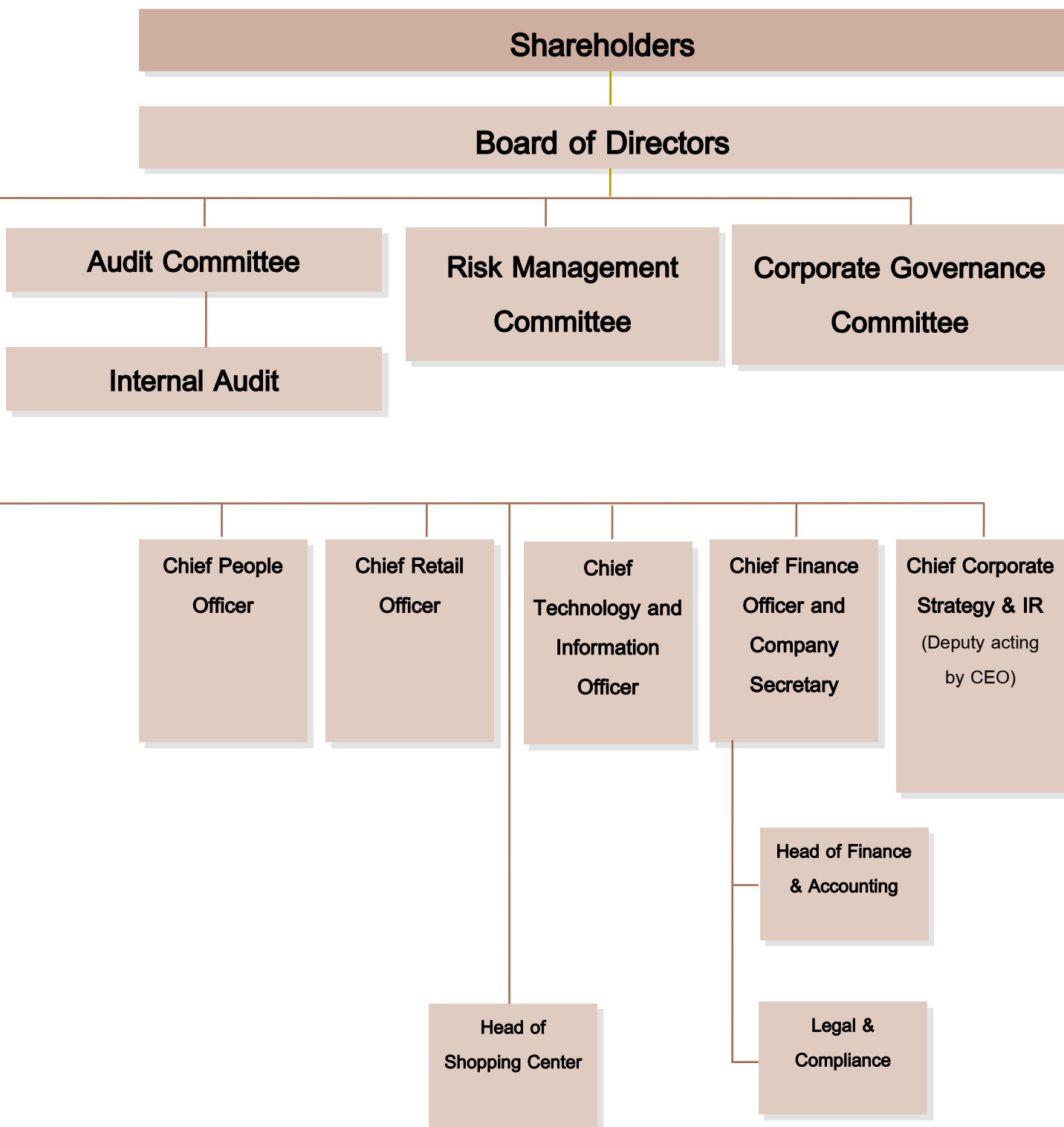
Last 5 Years work experience

- 2018 – Present : Chief Marketing Officer, Major Cineplex Group Plc.

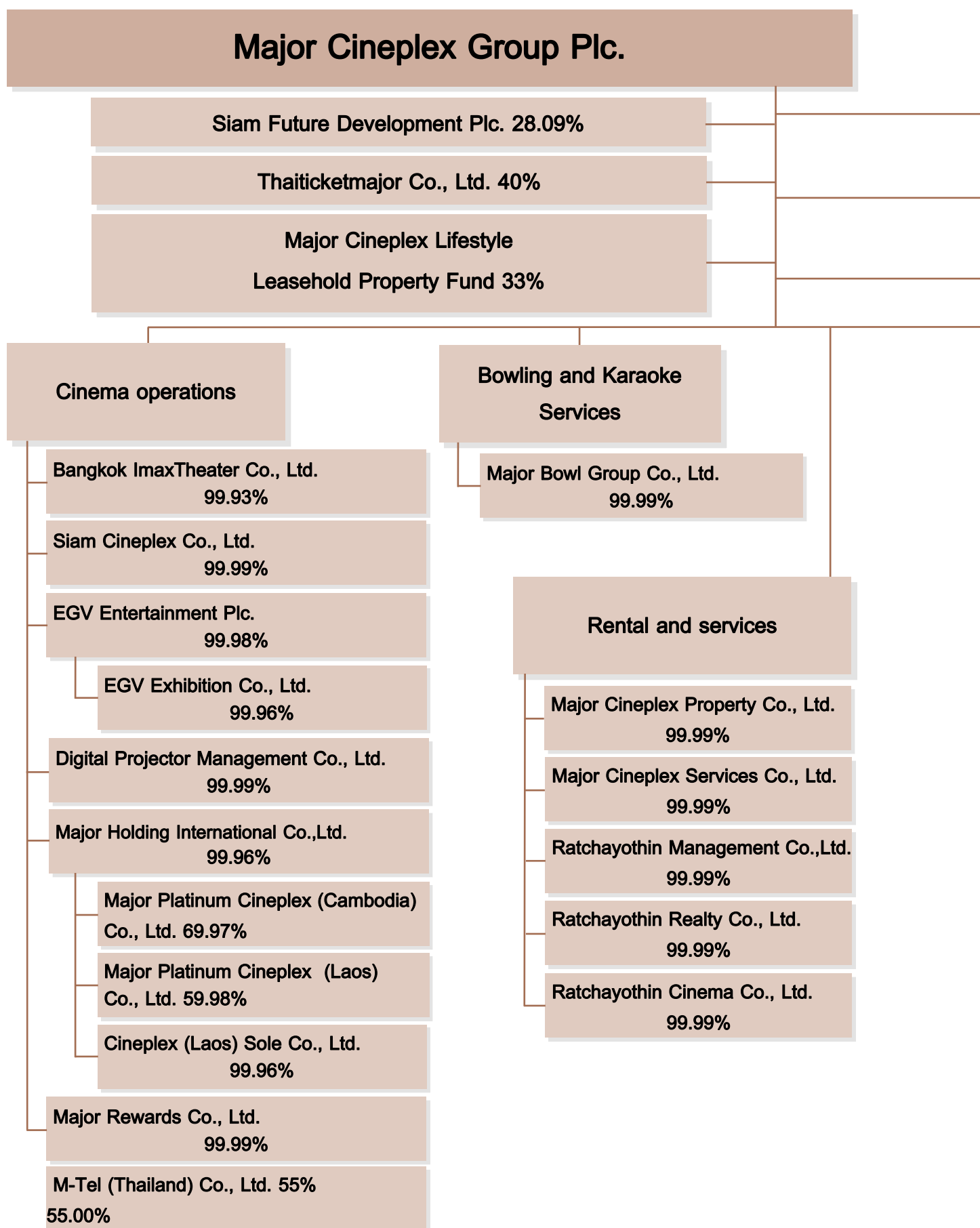
- 2017 - 2018 : Director of Flagship & International Business Major Cineplex Group Plc.
- 2015 - 2017 : Senior Department Head – Flagship Major Cineplex Group Plc.
- 2014 - 2015 : Senior Department Head – Business Development Major Cineplex Group Plc.

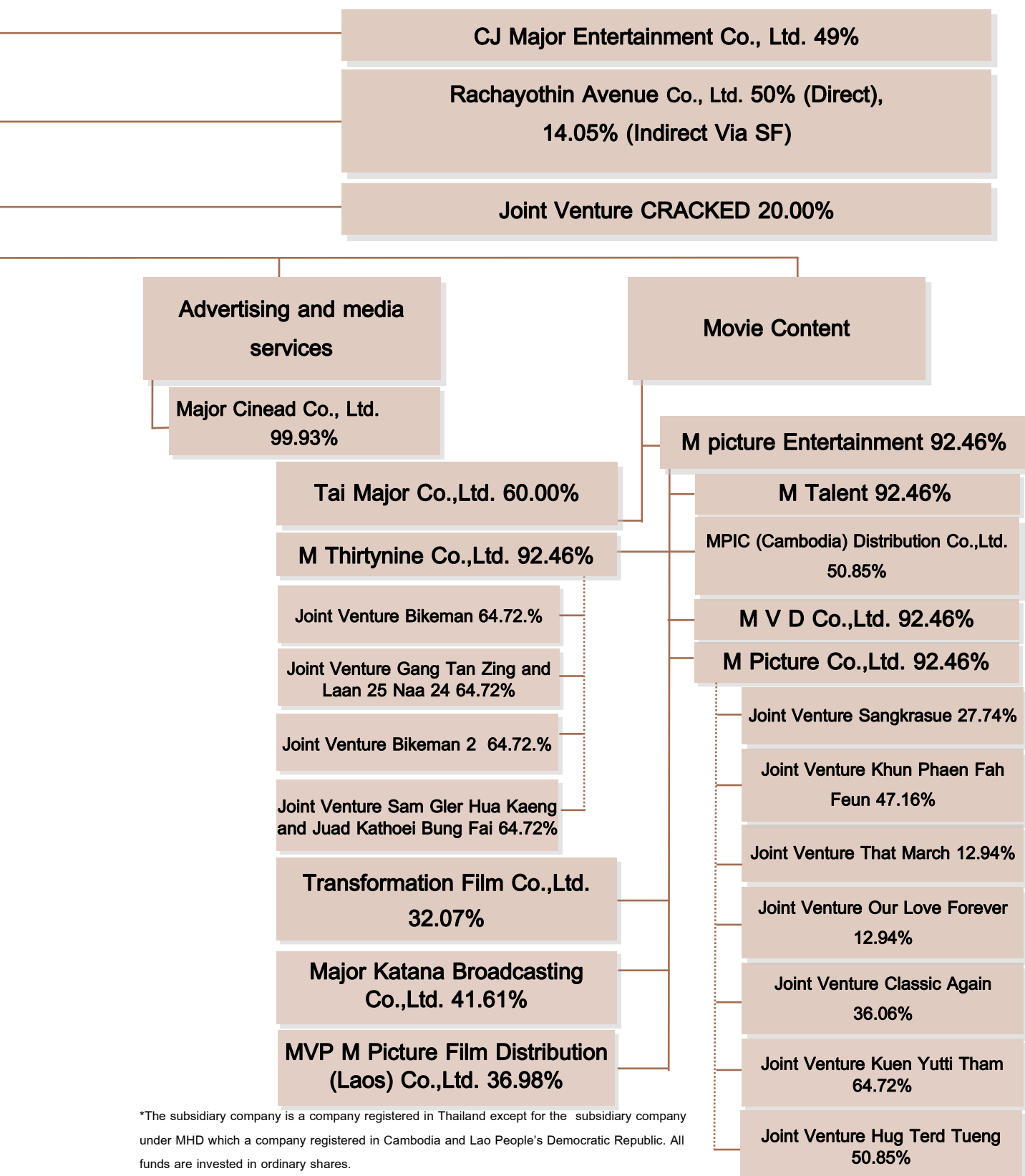
Organization Chart





Group Structure





*The subsidiary company is a company registered in Thailand except for the subsidiary company under MHD which a company registered in Cambodia and Lao People's Democratic Republic. All funds are invested in ordinary shares.

** Metacognition Co.,Ltd. was disposed the capital on 30 September 2019.

***Pacific Media Sale Co.,Ltd. is registered of the dissolution of the company on 14 November 2019.

General Information of the Company

Theatre Business	
Name	: Major Cineplex Group Plc.
Nature of business	: Cinema & Entertainment Complex operator, concession vendor and Rental equipment
Head Office	: 1839 ,1839/1, 1839/6 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0107545000047
Registered capital	: 894,667,502 Baht
Paid up capital	: 894,667,502 Baht (as of 31 December 2019)
% of Shareholding	: 100.00%

Name	: Bangkok Imax Theater Co., Ltd.
Nature of business	: Cinema & Entertainment Complex operator, concession vendor
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0105544003725
Registered capital	: 1,000,000 Baht
Paid up capital	: 1,000,000 Baht
% of Shareholding	: 99.93%

Name	: Siam Cineplex Co., Ltd.
Nature of business	: Cinema & Entertainment Complex operator, concession vendor
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0105547057656
Registered capital	: 150,000,000 Baht
Paid up capital	: 150,000,000 Baht
% of Shareholding	: 99.99%

Name	: EGV Entertainment Plc.
Nature of business	: Cinema & Entertainment Complex operator, concession vendor
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0107545000225
Registered capital	: 260,001,575 Baht
Paid up capital	: 260,001,575 Baht
% of Shareholding	: 99.98%

Name	: EGV Exhibition Co., Ltd.
Nature of business	: Cinema & Entertainment Complex operator, concession vendor
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0105539139100
Registered capital	: 25,000,000 Baht
Paid up capital	: 25,000,000 Baht
% of Shareholding	: 99.96%

Name	: Digital Projector Management Co., Ltd.
Nature of business	: Projector rental and system management
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 015554048284
Registered capital	: 5,000,000 Baht
Paid up capital	: 5,000,000 Baht
% of Shareholding	: 99.99%

Name	: Major Holding International Co., Ltd.
Nature of business	: Holding Business
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 015556003661
Registered capital	: 30,000,000 Baht
Paid up capital	: 30,000,000 Baht
% of Shareholding	: 99.96%

Name	: Major Platinum Cineplex (Cambodia) Co., Ltd.
Nature of business	: Cinema & Entertainment Complex operator, concession vendor and Bowling service
Head Office	: No.35-37 Street 214,Sangkat Boeung Raing,Khan Daun Penh, Phnom Penh,Kingdom of Cambodia.
Registration no.	: 0714 E/2014
Registered capital	: KHR 400,000,000 (100,000 USD x 32.5) = 3,250,000 Baht
Paid up capital	: KHR 400,000,000 (100,000 USD x 32.5) = 3,250,000 Baht
% of Shareholding	: 69.97%

Name	: Major Platinum Cineplex (Laos) Co., Ltd.
Nature of business	: Cinema & Entertainment Complex operator, concession vendor
Head Office	: Vientiane Center Building Ban Nonchan Sisattanak District Vientiane Capital Lao PDR
Registration no.	: 01-00019319
Registered capital	: LAK 2,340,000 x 0.0043THB (300,000 shares) = 10,062,000 Baht
Paid up capital	: LAK 2,340,000 x 0.0043THB (300,000 shares) = 10,062,000 Baht
% of Shareholding	: 59.98%

Name	: Cineplex (Lao) Sole Co., Ltd.
Nature of business	: Cinema & Entertainment Complex operator, concession vendor
Head Office	: Ban Keosamphan, Pakse District, Champasak Province Vientiane Capital, Lao PDR.
Registration no.	: 16-00010251
Registered capital	: LAK 1,000,000,000 x 0.0043THB (100,000 shares) = 4,300,000 Baht
Paid up capital	: LAK 1,000,000,000 x 0.0043THB (100,000 shares) = 4,300,000 Baht
% of Shareholding	: 99.99%

Name	: Major Rewards Co., Ltd. (Change Name from K-Arena Co., Ltd.)
Nature of business	: CRM Loyalty Program, Electronic payment and Coupon Kiosks
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Branch	: 39 Moo 6 Bangna-Trad Rd.,Bang Kaeo, Bang Phli, Samutprakan 10540
Registration no.	: 0105555064356
Registered capital	: 20,000,000 Baht
Paid up capital	: 20,000,000 Baht
% of Shareholding	: 99.99%

Name	: M-Tel (Thailand) Co., Ltd.
Nature of business	: Producing and Developing software and enterprise software application
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0105561067591
Registered capital	: 300,000 Baht
Paid up capital	: 300,000 Baht
% of Shareholding	: 55.00%

Bowling and Karaoke business	
Name	: Major Bowl Group Co., Ltd.
Nature of business	: Bowling, Karaoke and Entertainment services
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0105541034263
Registered capital	: 36,000,000 Baht
Paid up capital	: 36,000,000 Baht
% of Shareholding	: 99.99%

Rental and Services Business	
Name	: Major Cineplex Property Co., Ltd.
Nature of business	: Building space for rent
Head Office	: 1221/39, 1239 Sukhumvit Rd., North Klongton, Wattana, Bangkok 10110
Registration no.	: 0105537078910
Registered capital	: 78,000,000 Baht
Paid up capital	: 78,000,000 Baht
% of Shareholding	: 99.99%

Name	: Major Cineplex Service Co., Ltd.
Nature of business	: Utilities services
Head Office	: 1221/39 Sukhumvit Rd., North Klongton, Wattana, Bangkok 10110
Registration no.	: 0105540016130
Registered capital	: 23,000,000 Baht
Paid up capital	: 23,000,000 Baht
% of Shareholding	: 99.99%

Name	: Ratchayothin Management Co., Ltd.
Nature of business	: Utilities services
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0105540016121
Registered capital	: 5,000,000 Baht
Paid up capital	: 5,000,000 Baht
% of Shareholding	: 99.99%

Name	: Ratchayothin Realty Co., Ltd.
Nature of business	: Building space for rent
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0105539097628
Registered capital	: 100,000,000 Baht
Paid up capital	: 100,000,000 Baht
% of Shareholding	: 99.99%

Name	: Ratchayothin Cinema
Nature of business	: Building space for rent
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0105541034255
Registered capital	: 10,000,000 Baht
Paid up capital	: 10,000,000 Baht
% of Shareholding	: 99.99%

Advertising business	
Name	: Major CineAd Co., Ltd.
Nature of business	: Advertising and advisory service
Head Office	: 234, 13rd floor, Ratchadapisek Rd., Ladyao, Jatujak Bangkok 10900
Registration no.	: 0105544103711
Registered capital	: 1,000,000 Baht
Paid up capital	: 1,000,000 Baht
% of Shareholding	: 99.93%
Movie Contents	
Name	: M Pictures Entertainment Plc.
Nature of business	: Publishing, advertising and distribution of film rights
Head Office	: 234, 13rd floor, Ratchadapisek Rd., Ladyao, Jatujak Bangkok 10900
Registration no.	: 0107544000124
Registered capital	: 656,558,588 Baht
Paid up capital	: 650,059,588 Baht
% of Shareholding	: 92.46%
Name	: M Pictures Co., Ltd.
Nature of business	: Distribution of film rights for cinema, VCD/DVD production and TV broadcast
Head Office	: 234, 13rd floor, Ratchadapisek Rd., Ladyao, Jatujak Bangkok 10900
Registration no.	: 0105548154744
Registered capital	: 150,000,000 Baht
Paid up capital	: 150,000,000 Baht
% of Shareholding	: 92.46%
Name	: M V D Co., Ltd.
Nature of business	: Distribution of VCD/DVD, Blu-ray and film rights
Head Office	: 234, 13rd floor, Ratchadapisek Rd., Ladyao, Jatujak Bangkok 10900
Registration no.	: 0105545084664
Registered capital	: 522,500,000 Baht
Paid up capital	: 522,500,000 Baht
% of Shareholding	: 92.46%
Name	: M Thirty Nine Co., Ltd.
Nature of business	: Film production
Head Office	: 234, 13rd floor, Ratchadapisek Rd., Ladyao, Jatujak Bangkok 10900
Registration no.	: 0105552004395
Registered capital	: 100,000,000 Baht
Paid up capital	: 100,000,000 Baht
% of Shareholding	: 92.46%
Name	: M Talent Co., Ltd. (Change Name from Talent One Co., Ltd.)
Nature of business	: Film production, services for all forms of entertainment and sales of pocket book
Head Office	: 59/1 Soi Sukhumvit 39, Wattana, Bangkok 10110
Registration no.	: 010554068617
Registered capital	: 40,000,000 Baht
Paid up capital	: 40,000,000 Baht
% of Shareholding	: 92.46%
Name	: Major Kantana Broadcasting Co., Ltd.
Nature of business	: Satellite Broadcasting and distribution of film rights
Head Office	: 991 Siam Paragon, 5 th -6 th Floor Rama 1 Rd., Phatumwan, Bangkok 10330
Registration no.	: 0105553012928
Registered capital	: 40,000,000 Baht
Paid up capital	: 40,000,000 Baht
% of Shareholding	: 41.61%
Name	: Transformation Film Co., Ltd.
Nature of business	: Film production, Advertising, Television program service
Head Office	: No. 6 Soi Nak Ni Wat 12, Nak Ni Wat Rd., Ladprao, Bangkok 10230
Registration no.	: 0105557122281
Registered capital	: 175,000,000 Baht
Paid up capital	: 165,000,000 Baht
% of Shareholding	: 32.07%
Name	: MVP M Pictures Film Distribution (Laos) Co., Ltd.
Nature of business	: Film Distribution in Laos
Head Office	: 4 th Floor, Vientiane Center Shopping Mall, No 13, Kouvieng Rd., Nongchan Village, Sisatannak District, Vientiane Capital, Laos People's Democratic Republic
Registration no.	: 01B0008004425(S/1)
Registered capital	: LAK 1,000,000,000 (122,775USD x 36.15) = 4,438,316 Baht
Paid up capital	: LAK 400,000,000 (49,110USD x 36.15) = 1,775,327 Baht
% of Shareholding	: 36.98%

Name	: Tai Major Co.,Ltd.
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0105562116838
Registered capital	: 30,000,000 Baht
Paid up capital	: 30,000,000 Baht
% of Shareholding	: 60.00%
Name	: Joint Venture Sangkrasue
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000401158
Investment	: 35,000,000 Baht
% of Shareholding	: 39.60%
Name	: Joint Venture Bkeman
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000399226
Investment	: 25,000,000 Baht
% of Shareholding	: 64.72%
Name	: Joint Venture Khun Phaen Fah Feun
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000414446
Investment	: 47,000,000 Baht
% of Shareholding	: 47.16%
Name	: Joint Venture Kuen Yutti Tham
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000417411
Investment	: 19,000,000 Baht
% of Shareholding	: 64.72%
Name	: Joint Venture Hug Terd Tueng
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000418981
Investment	: 18,000,000 Baht
% of Shareholding	: 50.85%
Name	: Joint Venture That March
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000406745
Investment	: 25,000,000 Baht
% of Shareholding	: 12.94%
Name	: Joint Venture Our Love Forever
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000410289
Investment	: 25,000,000 Baht
% of Shareholding	: 12.94%
Name	: Joint Venture Classic Again
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000409655
Investment	: 25,000,000 Baht
% of Shareholding	: 36.06%
Name	: Joint Venture Bkeman 2
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000409701
Investment	: 25,000,000 Baht
% of Shareholding	: 64.72%
Name	: Joint Venture Gang Tan Zing and Laan 25 Naa 24
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000409698
Investment	: 50,000,000 Baht
% of Shareholding	: 64.72%

Movie Contents

Name	: Joint Venture Sangkrasue
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000401158
Investment	: 35,000,000 Baht
% of Shareholding	: 39.60%

Strategic Investment

Name	: Thal Ticket Major Co., Ltd.
Nature of business	: Agent for selling of tickets
Head Office	: 3199 Maleenon Tower, 27 th Floor, Rama 4 Rd., Klongton, Khlongtoei, Bangkok 10110
Registration no.	: 0105543020073
Registered capital	: 10,000,000 Baht
Paid up capital	: 10,000,000 Baht
% of Shareholding	: 40.00%

Name	: Siam Future Development Plc.
Nature of business	: Rental of building space and utilities services
Head Office	: 99 Ratchadapisek Rd., Dindang, Bangkok 10400
Registration no.	: 0107545000187
Registered capital	: 2,131,929,050 Baht
Paid up capital	: 2,131,920,931 Baht
% of Shareholding	: 26.34%

Name	: Ratchayothin Avenue Co., Ltd.
Nature of business	: Rental of building space and utilities services
Head Office	: 99 Ratchadapisek Rd., Dindang, Bangkok 10400
Registration no.	: 0105550006391
Registered capital	: 135,000,000 Baht
Paid up capital	: 135,000,000 Baht
% of Shareholding	: 50.00% (Indirect 14.05%)

Name	: Major Cineplex Lifestyle Leasehold Property Fund
Nature of business	: Rental of building space and utilities services
Head Office	: 400/22 KASIKORN BANK Building, 6 th , 12 th Floor, Phaholyothin Rd. Samsen Nai, Phaya Thai, Bangkok 10400
Registration no.	: 179/2550
Registered capital	: 3,300,000,000 Baht
Paid up capital	: 3,300,000,000 Baht
% of Shareholding	: 33.00%

Name	: CJ Major Entertainment Co., Ltd.
Nature of business	: Producing and distributing film domestically and internationally
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0105559037388
Registered capital	: 70,000,000 Baht
Paid up capital	: 70,000,000 Baht
% of Shareholding	: 49.00%

Name	: Joint Venture CRACKED
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000420128
Investment	: 27,000,000 Baht
% of Shareholding	: 20.00%

Nature of Business



Major Cineplex Group Plc. (MAJOR) is Thailand's leading Lifestyle Entertainment Company established in 1995 and MAJOR was listed on the Stock Exchange of Thailand (SET) in May 2002 with core business of Cinema, Bowling Karaoke and Ice skating rink, Rental and services, Advertising service and Movie contents. For past years of business growth, the company is moving toward to be "The World's Best Cinema and Total Lifestyle Entertainment Complex Provider". Moreover the company has also focused on the best technology and innovation to serve the better service to customers.

"Sharing the world's best entertainment dreams"

Cinema Business

Mr. Vicha Poolvaraluk, the founder of the company built a first standalone "Cineplex" in 1995, with 7-10 floors building combines customer experiences of cinema & entertainment complex that including of films selection in the multiplex cinema format, and also variety of restaurants, banks, and many other lifestyle shops in one stop with a strong "movie culture" in Thailand which continuous flow of moviegoers traffic every week. In 2018, the company has operated 5 locations standalone Cineplex located in Bangkok, Pinklao (The first standalone in Thailand), Sukhumvit, Ratchayothin, Major Rangsit and Esplanade Ngamwongwan-Kaerai.

Besides the standalone cineplexes, the company also expanded in another three expansion models to across nationwide:

- Shopping mall model
- Lifestyle neighborhood mall model
- Hypermarket model

In year 2004, Major took a stake in Siam Future Development Plc. - a lifestyle-neighbor-mall developer, which

was an alternative expansion model serving customers in the metropolitan areas as well as more urbanized areas around the country. The hypermarket model is another expansion model in the provincial areas. The company builds cinemas & bowling in the hypermarket structures as an anchor tenant. For the provincial dwellers, hypermarket or supercenter serves as a perfect destination, not only for shopping but also for family entertainment, in a very similar fashion as shopping malls are to the urban people. The company joins with hypermarket operators, Tesco Lotus & Big-C.

For the customer's best satisfaction and new experience from our services, the Company has continuously developed and searched for the new innovation and technology, such as; changing from film 35 mm. to be digital system for sharper image, using E-Ticketing instead of buying ticket from box office to reduce the customer's time queuing for ticket, as well as adding more convenience channel to buy ticket through Mobile Application which the customer can buy ticket and scan QR code to enter the cinema directly. In December, the Company has debuted Icon Cineconic which is the new flagship at Icon Siam in the area of 11,062 square meters with 13 luxury cinemas consist of VIP, 4DX, IMAX, Kids Cinema, Living room and ordinary cinemas.

Currently the company commands over 70% market share of the Thai cinema industry.

At year-end 2019, the company operated 11 brands:

- | | |
|---------------------|----------------------|
| • Major Cineplex | • EGV Cinemas |
| • Paragon Cineplex | • Esplanade Cineplex |
| • Paradise Cineplex | • Mega Cineplex |
| • Hatyai Cineplex | • Quartier CineArt |
| • Westgate Cineplex | • Cineplex |
| • Icon Cineconic | |

The company has totally 170 branches in Thailand and overseas, which include 812 screens and 183,974 seats. Because of “underscreened” situation in Thailand, the company plans to expand approximately at least 30-40 screens in every year to cover all areas in nationwide. The company concentrates every segment of customers and provides all kind of innovation to serve customers as of RealD, 2D, 3D, 4DX, IMAX, Screen X and sound quality. The company offers cinema services covering the full spectrum of the customer segments. The Company therefore acquires the right of the only IMAX system movie screening in Thailand. 4DX cinema will give customer the movie experience in every aspect including image, light, color, sound, touch and smell effects as well as special chairs with up to 24 effects.

ScreenX cinema is the third Ultra Wide Screen 270° surround of the world with 3 dimension screening by 9 projectors on 3-sides extra wide screen for more realistically pressure of watching.

LED Screen cinema is the first innovation in South East Asia and in Thailand as the second place of the world with special feature of displaying in High Dynamic Range (HDR), screen resolution 4K which will provide clear image, full color and realistic.



Kids Cinema is the cinema for kids by decorating like a playground with play land and ball pool for the kids to be more fun and enjoy movie watching. The movie teasers are appropriate for kids and family. The light and sound systems in the cinema are designed to be adequate for kids by increasing brightness 30% and reducing loudness 20% while screening movie to let the parents be able to see their kids at all time. There is also activity provided both before and after movie screening.



E-Sport cinema is the first mixed-use cinema of the world designed for multiple purpose both movie screening and E-Sport activities to support specific customer's need with high technology of image and sound, equipment and high speed internet for the competitors and audiences to have extreme enjoyment and excitement.



In addition, there is also alternative content, which is other content besides movies, provided in the cinemas to increase the revenue of Major Cineplex.

Also the full function service & newest innovations are created to serve hi-end customers in the “six-star” ambience, where is equipped with fully-reclined, serving foods and beverages in personal lounge before watching the movie, and also spa service.

“ENIGMA: the Shadow Screen”, a luxurious movie club exclusively for members only. Thirty-three exclusive seats, resembling living room couches adjacent to an exclusive club equipped with full bar services, are perfect for private parties. The venue has become very popular, not only among the high net worth individuals, but also the corporate customers who prefer using the ENIGMA for entertaining their VIP customers in an exclusive atmosphere.



Domestic Branch	Screen	Seats	Domestic Branch	Screen	Seats	Domestic Branch	Screen	Seats
Major Rangsit	16	3,357	Major Pinklao	5	1,370	EGV Big C Lamphun	3	738
Ngamwongwan	16	4,173	Changwattana	5	1,040	Lotus Nadee	3	669
Siam Paragon	16	4,320	Chiangrai	5	1,225	Lotus Satun	3	707
Mega Bangna	15	3,233	Diana Hatyai	5	1,043	Phangnga	3	634
Ratchayothin	15	3,722	Lotus Khonkaen	5	1,205	Phayao	3	652
Seacon	14	3,353	Big C Pathumthani	5	1,281	Samui	3	870
Iconsiam	13	2,645	Robinson Phetchaburi	5	1,046	Lotus Tha Thong	3	490
Central Westgate	12	2,235	Lotus Khon Kaen Patunum	5	1,041	Sahathai Thung Song	3	607
Esplanade	12	2,533	Lotus Songkla	5	1,243	Lotus Phatthalung	3	429
Central Pinklao	11	1,821	Lotus Srinakarin	5	1,203	Sripong Park Uttaradit	3	593
Bangkae - Seacon	10	1,877	Lotus-Baan pong	5	1,442	Tops Phichit	3	625
Bangkapi	10	2,210	Nakornsawan	5	1,098	Big C Sattahip	3	791
Bangna	10	1,942	Robinson Samutprakan	5	1,165	Lotus Rama 2	3	765
Central Chiangmai 2	10	2,417	Salaya	5	963	Big C Pak Chong	3	781
Central Hatyai	10	2,339	Ocean Chumporn	5	905	Chaisaeng Singburi	3	745
Future Rangsit	10	1,615	Robinson Ladkrabang	5	882	Robinson Chaiphaphum	3	707
Korat	10	2,549	Ayutthaya	4	1,248	Lotus Bangpakok	3	777
Rama II	9	1,607	Big C Lampang	4	866	Lotus Chana	2	456
Rama III	9	2,594	Big C Ratchaburi	4	937	Lotus Phayakkaphum	2	398
Samrong	8	2,023	Big C Suksawat	4	912	Lotus Phimai	2	377
Central East Ville	8	1,128	Big C Suphanburi	4	1,066	Lotus Prachuap	2	192
Central Rayong	8	1,487	Big C Udonthani	4	844	Lotus Samphran	2	414
Lotus Bangyai	8	2,050	Chonburi	4	1,061	Big C Sichon	2	456
Paradise Park	8	1,509	Hua Hin	4	1,386	Big C Banphai	2	546
Pattaya	8	1,715	Jampha Lamphun	4	1,092	Big C Nakhonphanom	2	615
Promanade	8	1,785	Kampaengphet	4	965	Big C Nan	2	498
Quartier Cineart	8	1,348	Krabi	4	1,089	Big C Prachinburi	2	616
Sukhumvit	8	1,747	Lotus Klaeng	4	1,079	Big C Samutprakarn	2	348
Udonthani	8	2,119	Lotus Maesod	4	1,184	Lotus Phon Khonkaen	2	316
Central Ubon	7	1,564	Lotus Nakhonsrithammarat	4	1,103	Lotus Ban Suan	2	348
Chaingmai	7	1,835	Lotus Nakonpathom	4	897	Lotus Map Ta Phut	2	399
Fashion Island	7	1,911	Lotus Nakornsawan	4	668	Lotus Angthong	2	465
Gateway Bangsue	6	1,410	Lotus Nongbualumphu	4	994	Lotus Dej Udom	2	331
Sahathai Suratthani	7	1,408	Lotus Suphanburi	4	877	Lotus Yasothon	2	346
Kadsuankaew Chiang Mai	6	1,312	Lotus Navanakorn	4	1,191	Big C Chaiphaphum	2	277
Ayutthaya City Park	6	1,231	Nakhonsrithammarat	4	1,103	Lotus Saraburi	2	378
Bluport	6	1,195	Petchaboon	4	1,091	Lotus U-Thong	2	344
Lotus Suratthani	6	1,298	Pitsanulok	4	945	Lotus Kamphaengsaen	2	286
Petkhasem	6	1,690	Robinson Mukdahan	4	1,015	Lotus Piboon Mang Sar Harn	2	276
Robinson Saraburi	6	1,317	Robinson Roi Et	4	916	Lotus Khoksamrong	2	292
Samsen	6	1,461	Robinson Sakonnakhon	4	856	Lotus Si Sa Ket	2	309
Amatanakorn	5	1,249	Saraburi	4	1,064	Lotus Ratchaburi	2	320
Aomyai	5	1,174	Siracha	4	1,137	Asawann Nongkhai	2	580
Big C Buriram	5	1,329	Thanyaburi	4	936	Lotus Uttaradit	2	234
Big C Lopburi	5	1,101	The Sky Ayutthaya	4	951	Lotus Pichit	2	340
Big C Roi-Et	5	1,234	Big C Korat 2	4	980	Big C Sukhothai	2	421
Big C Chanthaburi	5	1,328	Robinson Kamphaengphet	4	753	Big C Bandung Udonthani	1	204
Big C Mahachai	5	1,100	Big C Chiangrai	4	1,050	Lotus Sukhothai	1	95
Central Pitsanulok	5	1,168	TMK Kanchanaburi	4	910	Big C Dan Khun Thot	1	204
Chacheangsao	5	1,636	Big C Ranong	3	694	Big C Tha Ta Koh	1	204
Nonthaburi	5	633	Central Samui	3	672	Big C Wang Nam Yen	1	204

Domestic Branch	Screen	Seats
Lotus Chomthong	1	207
Big C Suwannaphum Roi Et	1	204
Big C Namyuen Ubonrachathani	1	194
Big C Nongki	1	205
Big C Wichienburi	1	204
Big C Nong Bua	1	205
Big C Ladyao	1	205
Big C Phang Khon	1	205
Big C Kham Ta Kla	1	205
International Branch	Screen	Seats
Aeon Mall - Cambodia	7	1,578
Vientiane Center - Laos	5	1,150
Pakse - Laos	4	1,087
Sorya Phnom Penh - Cambodia	6	807
Platinum Siem Reap - Cambodia	3	457
Aeon Mall 2 - Cambodia	8	2,085
Big C Poipet- Cambodia	2	419
ITECC Vientiane - Laos	4	843
Total	812	183,974

The Company has policy to expanded the Cinema Business to Asean Economics Community (AEC) which Phnom Penh - Cambodia was the first market to invest.

Major Platinum Cineplex (Cambodia) Co., Ltd.

Major Holding International Co., Ltd. and Platinum Cineplex (which incorporated in Cambodia) invest in the company called “Major Platinum Cineplex Cambodia

Co., Ltd.” in order of a 70:30 ratio, to opened “Major Cineplex” with 7 screens of the world class luxury cinemas and 13 Bowling Lanes at Aeon Mall on area 4,450 sq.m. located in the center of Phnom Penh, Cambodia including 7 screens 1,578 seats, provide 7 screens of 2D and 3D system, 1 theatre for VIP screen and 1 theatre 4DX screen and opened 3 locations at Platinum Siem Reap 3 screens, 6 screens at Sorya and 8 screens at Aeon Mall 2 Phnom Penh. In 2019, the Company opened 1 Location in Poipet, Cambodia.

Major Platinum Cineplex (Laos) Co., Ltd.

Major Holding International Co., Ltd. coordinated with Platinum Cineplex Co., Ltd. under “Major Platinum Cineplex” brand, opened 5 screens, 1,148 seat at Vientiane Center, Laos. In 2019, the Company opened 4 screens at Vientiane, Laos. Major Holding International Co., Ltd. holds 60% and Platinum Cineplex Co., Ltd. holds 40%

Cineplex (Laos) Sole Co., Ltd.

Major Holding International Co., Ltd. invest in the company called “Cineplex (Laos) Sole Co., Ltd.” The company hold 100% investment 1,000,0000 LAK (Par 10,000 LAK) or 4,300,000 baht, to opened cinema with 4 screens 1,087 seats at Friendship Mall in Laos.

Concession Revenue



Selling popcorn and drinks (concession) is the revenue that stay with the cinema for long time which the Company focuses on the product quality, taste and packaging of popcorn and drinks that can attract the customers both movie watcher and not movie watcher to buy the product. The Company also adds the taste of popcorn as well as the design of packaging in accordance with the season and festival from the original taste to be favorable with current popularity and other usage. The extension of cinemas promote the growth of popcorn and drinks consumption which makes popcorn and drinks business continuously grow every year.

Bowling, Karaoke and Ice Skating business

Bowling & Karaoke business has become part of the portfolio of lifestyle entertainment services since 1997. The first location located at Major Sukhumvit, with 20 bowling lanes. Rather than being a typical sports bowling venue, “Major Bowl Hit” is launched with an “entertainment bowling” concept and positioning its as friends & families can come in & enjoy the game. In 2006, “Blu-O Rhythm & Bowl” was introduced, targeting at the high-end of the consumer segmentation in the metro areas. The first Blu-O Rhythm & Bowl was put up at the Siam Paragon (a mega shopping mall in the heart of Bangkok). By providing 38 bowling lanes, 16 karaoke rooms, include 2 Platinum rooms with 4 exclusive bowling lanes each & karaoke facilities. Continuously, the company opened more branches under “Blu-O Rhythm & Bowl” brand. Furthermore, “Sub-Zero: the Ice Skate Club” is the latest lifestyle entertainment that has been added to the portfolio. It is rapidly become one of the most popular meeting joints for the hip & cool customer segments in town with the concept of “sport and entertainment”. The company also provides academy ice link by offering Figure and Hockey class. Sub-zero has a compact ice skating rink of about 800 – 1,000 sq.m. per branch. In 2015, the company operated 5 branches of ice skating comprising Esplanade Ngamwongwan-Kaerai, Sukhumvit, Mega Cineplex, Central festival Chiangmai, Central festival Hatyai.

The Company Closed Udonrhani branch (April), Central Festival Hadyai (Blu-o)(April) and Sub Zero Central Festival Chiangmai (September). At year-end 2019, the



company operated 12 bowling locations comprising 267 lanes, 153 karaoke rooms and 3 ice skating rinks in Thailand, Cambodia and Laos.

Domestic branch	Bowling Lanes	Karaoke Rooms	Ice Skating Rinks
Siam Paragon (Blu-o)	38	16	-
Ratchayothin (Blu-o)	36	19	-
Rangsit (Blu-o)	26	13	-
Mega Cineplex (Blu-o)	24	25	1
Esplanade Ngamwongwan-Kaerai (Blu-o)	24	13	1
Esplanade Ratchada (Blu-o)	22	17	-
Pattaya (Blu-o)	22	9	-
Pinklao (Blu-o)	20	14	-
Sukhumvit (Blu-o)	20	10	1
International branch			
Aeon Mall - Cambodia	13	-	-
Vientiane Center - Laos	8	-	-
Aeon Mall 2 - Cambodia	14	-	-
Total	267	153	3



Advertising Services Business



From the increasing of business's expansion and attracts more than 38 million of customers annually. A subsidiary called "Major CineAd Co., Ltd." has been established to engage the advertisers and media agencies with full-range of advertising services, ranging from simple cinema screen advertising to fully-integrated below-the-line media solutions incorporating all media available in the Cineplex network across nationwide. With additional revenues generated on the existing assets, it makes the advertising business, which "Cinemia" can contributed more than 80% of gross margin.

As of now, cinemia integrate below-the-line media solutions for many dominant players into many industries. The solutions include the screen advertising and also new media like VDO walls, tri-vision, plasma screens, menu board, outdoor media (Billboard/Cut-out) and 4D Ads - the newest innovation for only in theatre. In addition, the company has got several activities such as interactive media and cross promotion to increasing the advertising revenue as well as admission sales consequently with Cinemia, another effective channel to advertise and direct to the target, it continuously creates an increasing of growth rate in every year.



Rental and Services Business

The company operates retail space in the Standalone Cineplex to fulfill the lifestyle entertainment model by offering the customers with various entertainment services beyond movie, bowling, karaoke and ice skating. The company selects trendy brands that offer distinctive products and services that match customers' lifestyle and satisfaction. There are 2 types of retail space which are long-term lease contract which is more than 3 years and short-term rental contract which is less than 3 years. Moreover, company provides all services in space rental which are the electricity, air-conditioned services, fire protection system, cleaning and security system as well as common area management services such as elevator, escalator and parking. In December 2019, BTS project called the Green-Line (North), from Mochit to Kasetsart University Station opened, Major got significantly impact from increasing of occupancy rate.

Branch	Areas (sq.m.)	%Occupancy
Metropolis	21,961	100%
Ngamwongwan-Kaelai	11,481	77%
Sukhumvit	6,645	95%
Ratchayothin	2,909	100%
Rangsit	1,564	89%
Aomjai	1,150	73%
Future Rangsit	673	100%
Samrong	429	100%
Siam Paragon	374	84%
Quartier Cineart	253	100%
Pitsanulok	186	100%
Bangkapi	110	0%
Lotus Navanakorn	99	100%
Samuii	89	0%
Chiangmai	30	100%
Total	47,954	92%

Movie Content Business

The company has a strategic investment in the film distribution business through its 92.46% stake in M Pictures Entertainment Plc., the company held a stake in M Pictures Co., Ltd., which provided the upstream theatrical distribution services.

In 2018, the company has several subsidiary companies under theatrical business, which includes:

- M Picture Co., Ltd. 92.46%, Distributing of film rights for cinema services.
- M Thirtynine Co., Ltd. 92.46%, Film Production.
- M.V.D. Co., Ltd. ("MVD") 92.46%, Distribution of VCD/ DVD, Blu-ray and film rights.
- Pacific Media Sale Co., Ltd. 91.91%, Distribution of CD, VCD and DVD. (Subsidiary under M.V.D.)
- Major Kantana Broadcasting Co., Ltd. 41.61%, Satellite

broadcasting and distribution of film rights.

- MVP M Pictures Distribution (Lao) Co., Ltd. ("MVP") 36.98%, Film Distribution in Laos
- Transformation Film Co., Ltd. 32.07%, Film Distribution.
- Tai Major Co.,Ltd. 60.00%, Film Distribution.

In 2019, the company concentrate to be part of develop Thai movie industry according to seeking for sustainable growth in nationwide and international market. The Company tries to support the various production teams such as drama and game show production to become a part of movie production to extend the movie market, for example; the co-investment in the form of a joint venture for movie production. At present, Thai movies have gained more popularity from many countries both in South East Asia and Asia which provide the opportunity to Thai movie



Strategic Investments

Siam Future Development Plc. (SF)

The company currently invests 28.09% in Siam Future Development Plc. with the symbol SF, a lifestyle-neighborhood-mall developer. Siam Future develops low-rise lifestyle malls, open-air building located next to the residential areas. The rationale for the investment in 2004 was synergy to each other. The company is an anchor tenant that generates traffic to the lifestyle malls. With rapid expansion of Siam Future contributed sustainability growth to Major.

Thai Ticket Major Co., Ltd. (TTM)

In June 2007, the company took 40% stake in Thai Ticket Master Dot Com Co., Ltd., whose name was subsequently changed to Thai Ticket Major Co., Ltd. (TTM). The rationale was to expand the company's business into ticketing sales channel as well as enhancing value from the existing assets. Cinema ticket box offices are turned into also ticketing services counters for concerts, sports events, transportation. Not only better utilization of the resources at the box offices, TTM also generates additional traffic into the cineplexes which could also be enticed to consume other entertainment services.

Major Cineplex Lifestyle Leasehold Property Fund (MJLF)

The REIT was registered June 2007, two standalone cineplexes (Major Ratchayotin & Major Rangsit) were initially injected into the MJLF, raising Baht 2.3 billion of cash. The company reinvests 33% of this fund, while the remaining amount was reinvested into a brand new standalone cineplex in Ngamwongwan-Kaerai area and a new lifestyle mall, Major Avenue @ Ratchayotin, a 50:50 joint venture between MAJOR & Siam Future. This development marks an important step for the group as MJLF becomes a vital vehicle for sustainable future growth. The company can now expand with the original standalone cineplex model without raise capital. The standalone cineplexes with much bigger size of cinema screens & bowling lanes are expected to drive

higher rate of growth for the income statements than the balance sheets, enabling the company to adopt the "asset-light" strategy with hope to generate higher rate of returns going forward. MJLF is listed on the Stock Exchange of Thailand with the symbol MJLF.

CJ Major Entertainment Co., Ltd.

On 9 March 2016, the joint venture has been made between MAJOR and CJ E&M Co., Ltd - the biggest entertainment enterprise which providing all channel and range of media advertising, especially in cinema field that CJ E&M is the largest business who produce and distribute film in Korea. MAJOR has jointed with CJ under the name 'CJ Major Entertainment Co., Ltd. The company is holding 245 shares for a consideration of Bath 2.45 million. Investment in CJM representing 49.00% of the registered shares is classified as investment in associate taking into account of controlling power and returns. The equity method of accounting is applied to this investment in the consolidated financial information.

On 28 March 2016, CJM increased the authorized share capital by issuing 6,500 new shares at par value of Baht 10,000 per share. The Company additionally acquired shares of CJM for a total consideration of Baht 31.85 million in order to maintain shareholding interest of 49.00%. The first production was released in 2016.

Mtel (Thailand) Co., Ltd.

In 2018, the company has been made between MAJOR and Mtel Solutions Co., Ltd who is a digital enabler and pioneering mobile app developer in Hong Kong. MAJOR has jointed with Mtel under the name 'Mtel (Thailand) Co., Ltd. The company invest 55% of the registered shares.

Risk Factors

The company has its own risk management policy. The following are business risks and risk mitigation.

Risk from film release

Cinema exhibitors have to greatly rely on the steady flow of films. The absence of new movies definitely bright about loss in revenue because income from movie show accounts for 74 of the whole revenue. The main income of the cinema is from ticket sale and the sale amount depends on the number of movies show as well as the popularity of each movie. Indeed, cinema is the primary and paramount channel to deliver the movie, so the movie producer and movie owner have to rely on the cinema so as to pave the way for the subsequent movie redistribution in the other form. Consequently, the interaction among cinema exhibitors, movie representative and movie producers are independent in nature. In this regard, the common goal of the 3 mentioned parties to attain constant growth significantly mitigates the risk of film release. At present, the market share of the company is more than 70 (The evaluation of market share bases on ticket sale for each movie during the first week of show). The company holds market leadership which enhances its bargaining power against movie owners and movie representatives. In addition, the company's entry into movie producing business through M Pictures Entertainment Plc. The Company also supports the film production and mobilizes resources from its subsidiaries and business partners to elevate the Thai movie industry. Also lessens the risk resulting from the off-peak period in which there is no grand movie from Hollywood. Nevertheless, the company is committed to foster cooperative relationship with international and domestic movie producers because the nature of the industry requires interdependence. The company also makes agreement with the movie producer to ensure effective risk management from film release.

Risk from competition

As the industry leader in terms of innovation and prime locations, the company has incessantly continued expand its branches and modernize the existing theaters. There are four models of expansion: standalone cinema, shopping mall, lifestyle mall and hypermarket. This strategy aims at expanding customer base. However, the expansion and growth in branch of competitors also has impacts on the company in terms of possible revenue reduction and comparison of service and facilities by the consumers. The company is fully aware of such competition and hence it focuses on maintaining customer base and explore new customer group by offering additional entertainment experiences including bowling centers, karaoke service and other boutiques in the branch. The company also has constant revamp of the cinemas. These efforts enhance the potentials of the company, making it paramount cinema operator. The other competitor for the cinema is VCD and DVD, legally and illegally produced. The DVD and VCD segment is growing because of a shorter cinema show period of each movie. However it is deemed that this risk is significant because visitors to the company branches can also enjoy other entertainments in addition to watching movies. For the piracy problem, the governments also make serious effort in suppressing those illegal DVDs and VCDs, driving down the number of these illegal media.

Risk from new expansion

In 2019, the company is planning to increase 20-40 additional cinemas in Bangkok, the vicinity and upcountry. The total investment is 150-200 million baht. The expansion will be financed from financial institutions and/or from publishing the debenture and/or from the cash in operation. The investment for the expansion may induce uncertainty, resulting from return on investment. The new operations may face delayed opening or higher expenditure due to increasing project cost. However, thanks to the well-established experience, the company has average pay back period of 3-4 years per branch and the average

IRR (internal rate of return) for each project is 15-20%. Prior to the project, a feasibility study is carefully conducted. Plus, the project locations are always situated in the residential areas, downtowns or near business districts. These factors ensure fruitful expansion. Nonetheless, if the payback period is longer than expected, the company may consider adjust the number of cinemas, bowling lanes, rental space or rental fee. Sometime, the expansion is co-invested with other partners including Siam Future Development Plc., and operator of the shopping mall. Such cooperation makes the company aware of the updated market insights as well.

Risk from management

The business of the company has been established and become successful under the helm of Mr.Vicha Poolvaraluk, the founder of the company. Hence, it has been perceived that the company has to rely on his stature and experience while there is perceived risk from the change in shareholding among the company founders. Any change related to the founder may not only have ramifications on the relations with the movie producers but also has implication on the confidence in the company and the company revenue as a whole. However, such risk is unlikely given the ownership and bound which Mr.Vicha Poolvaraluk has developed with the company. His commitment to the company has resulted in uninterrupted growth and he is determined to take the company into another level. Moreover, the company has the policy to constantly develop new executives for each business operation. They will be groomed by seasoned senior executives. This enhances the capability to handle risk from management.

Risk from fire accident

The fire accident causes halt in business operation, leading to loss in revenue. However, the company has insurance policy for variance type of accident including fire with sufficient financial coverage for property, business stoppage and third-party liability. As preventive measure, the company has mandatory fire drills which are facilitated

and organize by firefighters.

Risk from terrorism and Unrest

The domestic unrest remains persistent. Though the risk in this regard may impact revenue, it is considered that the risk from unrest and public security is insignificant. The company always places important on strict security measures. Stringent security surveillance is employed as preventive measure in order to reduce the chance for any disorder in the areas under the company jurisdiction. The company is also equipped with CCTV system and metal-detection machines to further secure the property for all people concerned.

The Security Risks Of Information Technology Systems

Information technology is an important tool for business operations as it helps elevate the efficiency of production process, customer service, communication, data collection, and data assessment and analysis. Therefore, such difficulties and the risks of cyber security are considered important as they may affect the continuity in system and computer usage as well as the stability, information security and the risks of computer related crime. The occurrence of such risks requires the monitoring process, which may cause business interruption.

To avoid such risks, the Company has prepared action plans, systems, and preventive measures for risk mitigation and management.

1. Provide the security protection of information and legal punishment as well as continuously raise the employees' awareness and responsibility regarding the use of technology via e-mail, functional training programs and activities to ensure that they thoroughly understand the use of technology, and are secured from cyber threats or illegal cyber actions.
2. Provide a security system for the network and computers as well as the devices that may trigger the risks of external cyber threats.

- Set up a Firewall as the basic preventive measures and only authorized users shall be allowed to access the Company's information technology systems.
 - Install computer anti-virus program on every computer and connect all network to the central system for the purposes of remote access and trouble shooting. The causes of cyber threats shall be determined in order to solve and avoid repeat problems.
3. Set up different access levels to define the information confidential level. Effectively manage the data access to prevent confidential data access and data espionage, as well as set up the information access system in order to effectively review and monitor the data access.
 4. Establish data center and back up important data to support the Company's business operations in case of system failure or problem as well as to ensure the information recovery and the continuity of business operations.
 5. Collect internet access data according to Computer-related Crime Act and monitor visited websites that might be considered illegal or trigger the risks of data espionage.
 6. Install all computers with the programs that monitor any illegal software in order to avoid copyright or intellectual property right infringement. In addition, the Company's server must have a license and it has to be renewed yearly.
 7. Increasing the system of recording and tracking the solutions of computers and equipment for the responsible unit can communicate with users and resolve various problem effectively.

Unexpected Risk

In case of unexpected situation, the company prepares business continuing plan for deal with all risk management. This plan can be adapted for all situations. Then, the company could manage and adjust itself to mollify all risk by efficiency.

Corporate Management Structure

The company's management structure, as of 31 December 2019, comprises of the Board of Directors and 5 sub-committees namely executive committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance Committee. The committees' scopes of authorities as responsibilities are as follows:

(1) Board of Directors

Name	Position
1. Mr. Somchainuk Engtrakul	Chairman of the Board of Directors/ Independent Director
2. Mr. Vicha Poolvaraluk	Director
3. Mr. Verawat Ongvasith	Director
4. Mrs. Paradee Poolvaraluk	Director
5. Mr. Thanakorn Puriwekin	Director
6. Mr. Wichai Poolvaraluk	Director
7. Mr. Chai Jroongtanapibarn	Independent Director /Chairman of the Audit Committee
8. Mr. Vallop Tangtrongjit	Independent Director /Audit Committee Member
9. Mr. Kraithip Krairiksh	Independent Director /Audit Committee Member
10. Pol.Sub.Lt. Kriengsak Lohachala	Independent Director
11. Dr. Satian Pooprasert	Independent Director

Authorized Signatory Director on the Company's behalf is

Mr. Vicha Poolvaraluk, Mrs. Paradee Poolvaraluk, Mr. Verawat Ongvasith, Mr. Thanakorn Puriwekin Two in four jointly sign and combined with the company seal will be binding upon the company.

Authorities of the Board of Directors

1. The board may assign one or more directors to act on behalf.
2. The board may authorize a director to sign together with the company seal on behalf of the company.
3. The board may appoint or empower any person to conduct the company's business under its supervision with suitable issues and timings. Its appointment or empowerment may be withdrawn by the board itself.
4. Directors, who might have interests on any matter, must have no right to vote on such matters.
5. The board might approve the interim dividend payment if the company has sufficient profit to do so. This payment should be reported to the next shareholders' meeting.
6. Regarding to the Public Company Limited Act B.E 2535 indicated that some transactions, e.g., the consideration and approval of the company's financial statements, the consideration of profit and capital reserve allocation, the election for directors' replacement due to term expiration, the determination of remuneration, the appointment of

external auditors with their compensation, the sales and transfers of The company's partial or overall business, the purchase or transfer the ownership from other companies, the preparation, amendment or revocation of the company's leasing contracts and the empowerment to any person to conduct the business on behalf of the company or the merger with other persons to share profits and losses, the board must have the resolution from the shareholders' meeting on such matters.

Responsibilities of the Board of Directors

1. The board must conduct the business in compliance with laws, the company's objectives, articles of association, and resolutions of the shareholders' meetings with integrity and prudence for the company's best interests.
2. Set the company's vision, strategic and policy and continuously monitor of performance to achieve its goals.
3. Provide the corporate governance policy in a writing and annual review of the policy.
4. Provide the Code of Conduct for directors, executives and employees in a written that use as standard of business and continuously monitor of compliance.

5. Set the risk management policy and monitor the management team to follow the policy and report to the Board of Directors.
6. Ensure accurate, adequate, transparency, timely and fairness disclosed the information to shareholders and relevant stakeholders
7. The board must inform the company immediately their direct or indirect interests regarding to the company's contracts occurred during the fiscal year. Furthermore, they must inform their changes on their holding common shares or bond in the company itself or the affiliate companies during the fiscal year.
8. The board must arrange the meeting at least every three month with at least 2 out 3 of total directors attending the meetings. The resolutions of the meetings are based on the majority votes.
9. The board must organize the annual general shareholder's meeting within four months after the ending of the company's fiscal year.
10. All directors are restricted from conducting, investing, and being partner in the companies having the same business as the company. In case that any director or parties with possible conflict of interest, as per announcements of the Securities and Exchange Commission (SEC) and/or the Stock Exchange of Thailand (SET), may have conflict of interest, the director(s) shall have no authority to approve the matter thus for the best benefits of the company and shareholders.

Independent Directors

Independent directors mean director that have specifications as follows:

1. Hold not exceeding 0.5% of total voting shares of the company, its subsidiaries, affiliates or other juristic persons with possible conflict of interest, including the shares held by their related persons (under section 258 of securities and exchange act).
2. Neither involving in management, non-controlling nor being authorized signatory person, nor being the company's executive' employees, salaried consultant, competent authorized person to control the company, its subsidiaries, affiliates or other juristic persons and in

the last 3 years before appointment.

3. Not being a person related by blood or legal registration such as father, mother, spouse, and child including spouse of the child to executives, the company shareholders, controlling persons, or persons to be nominated as executive or controlling person of the company or its subsidiary and be independent from the company shareholders executives and controlling persons.
4. Not having a business relationship with the company in occasional service and commercial business, in accordance with the SET's requirement on the related transaction.
5. Not being a person who has been appointed as a representative of the company's director, the company shareholders or shareholders who are related to the company shareholders.
6. Not having any characteristics which make him/her incapable in expressing independent opinions.
7. Be capable in protecting all shareholders/ benefits equally and supervising in order to prohibits any conflict of interest between the company and related persons, and able to attend the meetings of the Board of Directors in order to make a decision on significant issues.

Independent directors shall perform their duty independently to ensure that the company's politics, plans and operations are correct, appropriate and in line with the company's objectives and rules as well as the shareholders' meeting resolution and related laws in order to equally protect shareholders' benefits. Furthermore, this definition of independent directors has been revised so as to be more strictly than that defined by SEC.

Criteria in Selecting Independent Directors

The company selects independent directors by considering knowledge, experience, and profound understanding of related businesses, vision, sufficient time to perform duty and qualities as stated in the concerned government agencies' announcements, regulations and rules. The company would invite qualified persons to be its independent directors. The company considers that the independent directors are able to exercise their knowledge and capability as well as provide opinions that are useful and appropriate to support the company's business operation.

(2) Audit Committee

The meeting of the Board of Directors resolved the qualifications of the Audit Committee in accordance with and under the international standards as promulgated by SEC/SET. Moreover, the authority scope of the Audit Committee was adjusted according to and under the SET notification.

Definition

Audit Committee

Audit Committee Members mean persons appointed by the Board of Directors or the company's shareholders. The Audit Committee Members must be independent directors and not to be directors assigned by the Board of Directors to make decision on business operations of the company, parent companies, subsidiaries, joint venture, similar subsidiaries, or any juristic persons that may have conflict of interest. They must be neither the director of parent companies, subsidiaries, joint venture and similar subsidiaries. They must have qualifications and responsibilities as announced by the SEC and as per the SET regulations on the qualifications and work scope of Audit Committee. They shall also have sufficient knowledge and experience to review the reliability of the financial statements and perform other duties under their roles as Audit Committee Members. The Board of Directors considered that all the Audit Committee Members are qualified according to the company's definition and comply with the SEC and SET regulations. The Audit Committee meeting also considered that Mr. Chai Jroongtanapibarn has good knowledge and expertise in accounting and finance, as well as experience in auditing which is adequate to review the reliability of the financial statements. Therefore, he was appointed as the Chairman of the Audit Committee.

As at 31 December 2019, the Audit Committee consists of the Audit Committee are independent directors of 3 members with 3 years term, Moreover, the one of Audit Committee have already passed the "Audit Committee Program" arranged by Thai Institute of Directors (IOD).

Name	Position
1. Mr. Chai Jroongtanapibarn	Independent Director/ Chairman of the Audit Committee
2. Mr. Vallop Tangtrongjit	Independent Director/ Audit Committee Member
3. Mr. Kraithip Krairiksh	Independent Director/ Audit Committee Member

Responsibilities of Audit Committee

1. Ensure accurate and adequate financial reports.
2. Ensure appropriate and efficient internal control and internal audit system to appropriate, efficiency and independence of internal audit as well as consideration set up remove, layoff head of internal audit or other associated.
3. Review the company's operation to comply with the Securities and Exchange Act, the Stock Exchange of Thailand's regulation or other related laws.
4. Consider, assort, appoint external auditors, consider the compensation for them as well as consideration remove or layoff them. Until attend with auditor without manager at least time per year.
5. Consider the disclosure of the company's information regarding to the connected transactions or conflicts of interest transaction to ensure the completeness and accuracy.
6. Prepare the corporate governance report, signed by the chairperson of the Audit Committee, and disclose in the company's annual report.
 - (A) Opinion about completeness to reliability of financial statement.
 - (B) Opinion about adequacy internal system.
 - (C) Opinion about performance under the law (security and stock exchange) or the law relative to the business.
 - (D) Opinion about monitor of auditor.
 - (E) Opinion about conflict of interest.
 - (F) Amount of person Audit Committee meeting.
 - (G) Opinion and notice of the Board of Directors form charter.
 - (H) Other items to shareholders and investors acknowledge under the scope and responsibility form director committee.

7. Perform other duties as assigned by the Board of Directors.
8. Be accountable to the Board of Directors as per roles and responsibilities entrusted and shall report to them the performance, recommendations and findings at least twice a year.

In any case where any Audit Committee Member or parties with possible conflict of interest, have conflict of interest which the company or its affiliates, the acquisition or sale of assets of listed companies and related transactions (if any), as per announcements of the SEC and/ or SET, the Audit Committee shall report the matter to the Board of Directors and/ or the shareholders' meeting for consideration and approval in compliance with referred law and regulations.

(3) Executive Committee

As at 31 December 2019, Executive Committee of the Company consisted of four members;

Name	Position
1. Mr. Vicha Poolvaraluk	Chairman of Executive Committee
2. Mr. Verawat Ongvasith	Executive Committee
3. Mrs. Paradee Poolvaraluk	Executive Committee
4. Mr. Thanakorn Puriwekin	Executive Committee

Responsibilities of Executive Committee

1. Operate and manage the company's business in accordance with laws, objectives and regulations of the company as assigned by the Board of Directors.
2. Operate and manage the company's business in accordance with policy and strategy set by the Board of Directors.
3. Follow shareholders' resolutions with honesty, ethics and care for the company's benefits.
4. Approve borrowings or lending from/to financial institutions including guarantee or make payment in ordinary business of the company such as capital expenditures within 60 million baht per each transaction.
5. Appoint or cancel staff of the company whose title are lower than chief executive officer.
6. Prepare, propose and set business policy and strategy

to the Board of Directors.

7. Organize the company's structure and management including interviewing, employing, training and un-employing staff.
8. Set business plan, authority and budget as well as manage business according to policy and strategy proposed to the Board of Directors.

All related or conflict of interest transactions with executive directors in accordance with rules and regulations of Securities and Exchange Commission must not be voted by those executive directors who are related or have conflict of interests. Executive director must to present to the board of director and/or shareholder's meeting consider and approve under regulation or announcement or related law.

4) The Nomination and Remuneration Committee

Definition

The Nomination and Remuneration Committee

The company's the Nomination and Remuneration Committee means group of persons appointed by the Board of Directors as the Nomination and Remuneration Committee. The Nomination and Remuneration Committee chairman shall be an independent director. At least three fourths of the Nomination and Remuneration Committee Members shall be independent directors in order to maintain transparency and independence in performing their duty. The Committee Members shall have good knowledge and sufficient experience to nominate directors and top management of the company, as well as to perform other tasks as the nomination committee. The Board of Directors considered that all members of the Nomination and Remuneration Committee have the qualifications of good corporate governance. The Nomination and Remuneration Committee considered that Mr. Kraithip Krairiksh, an independent director, is knowledgeable and has experience in nomination and remuneration of directors, therefore the committee appointment of Mr. Kraithip Krairiksh as the Chairman of the Nomination and Remuneration Committee.

As of 31 December 2019, the Nomination and Remuneration Committee comprise 4 Members with 3 years term. They are as follows:

Name	Position
1. Mr. Kraithip Krairiksh	Independent director / Chairman of the Nomination and Remuneration Committee
2. Mr. Vallop Tangtrongjit	Independent director / Nomination and Remuneration Committee
3. Mr. Chai Jroongtanapibarn	Independent director / Nomination and Remuneration Committee
4. Mr. Verawat Ongvasith	Independent director / Nomination and Remuneration Committee

Responsibilities on the Nomination and Remuneration Committee

Responsibilities on Nomination Function

1. To formulate criteria and policy in nominating directors, members of different committees and the chief executive officer.
2. To consider and nominate appropriate persons to be appointed as directors, and members of different committees and the chief executive officer for approval by the Board of Directors and/or shareholders' meeting.
3. The Board of Directors must to report the results of the nomination committee meetings or other matters that the Board of Directors should be informed.
4. To perform any tasks assigned by the Board of Directors.

Responsibilities on Remuneration Function

1. To formulate criteria and policy on remunerations for the Board of Directors, committees and chief executive officer for the approval by the Board of Directors and/or, as the case may be, the shareholders' meeting.
2. To set necessary and appropriate annual remunerations for the Board of Directors, committees and the chief executive officer.
3. The Board of Directors must to report the results of the remuneration committee's meeting results or other matters

the Board of Directors should be informed.

4. To perform any tasks assigned by the Board of Directors.

(5) Risk Management Committee

Composition of the Risk Management Committee

1. Board of Directors appointed the Risk Management Committee and the Chairman of the Risk Management Committee by selecting from directors and/or management and/or experts with expertise in risk management or have knowledge and expertise in the industry in which the company operates. The Risk Management Committee consists of at least 3 members and must be at least 1 independent director.
2. The Chairman of the Risk Management Committee is not a Chairman of the Board of Directors.
3. The Risk Management Committee is appointed by the Secretary of the Risk Management Committee which can be the highest supervisor in charge in Risk Management department or others as the Risk Management Committee deems appropriate.

As of 31st of December 2019, the Risk Management Committee consists of 8 Risk Management Committee's members which has a 3-year tenure as follows;

Name	Position
1. Mr. Satian Pooprasert	Independent director / Chairman of the Risk Management Committee
2. Mr. Chai Jroongtanapibarn	Independent director / Member of the Risk Management Committee
3. Mr. Verawat Ongvasith	Director / Member of the Risk Management Committee
4. Mr. Visarut Poolvaraluk	Member of the Risk Management Committee
5. Ms.Thitapat Issarapornpat	Member of the Risk Management Committee
6. Mr.Nipon Sunthrajarn	Member of the Risk Management Committee

Name	Position
7. Mr. Thanatip Yampayont	Member of the Risk Management Committee
8. Mr. Apirak Varachanoonth	Member of the Risk Management Committee

Mr. Apirak Varachanoonth is the Secretary of the Risk Management Committee

Responsibilities on the Risk Management Function

The Risk Management Committee is directly responsible to the Board of Directors for the assigned duties and responsibilities. In addition, the Board of Directors have to take responsibility in the company's operations to the outsiders.

1. Consider and comment on the draft policy and the risk management framework of the company before proposing to the Board of Directors in order to approve as well as assigning management to act in accordance with the policies and the guidelines set. Besides, assigning duties for the management to report the work performance to the Risk Management Committee.

2. Consider and give opinions on the determination of the appetite and risk tolerance in accordance with strategy formulation and company goals.

3. Always review and improve the company's risk management system to be efficient and continuous effectiveness as well as require for an evaluation and keep monitoring risk management in both normal circumstances and crisis according to the policy and consistent guidelines.

4. Arrange for assessment and analyze the important risks in various areas in accordance with the current situation systematically and continuously to ensure that the risk assessment covers all phases of the business operation according to the guidelines of the principles of good cooperate governance. It also includes suggesting preventive measures in case that the risk level is not as specified or reducing the risk to an acceptable level.

5. Review the risk management report in order to increase

risk tracking that is crucial to the company and to ensure that the company has appropriate risk management.

6. The Risk Management Committee has the authority to give management or relevant parties to clarify the information in writing or attend the Risk Management Committee's meeting to provide information verbally for risk and performing duties according to the responsibility as the Risk Management Committee deems appropriate. This is for the management and the invited relevant officials to inquire or to request information that is considered a duty of cooperation with the Risk Management Committee.

7. Supervise and support the implementation of risk management to against corruption in an adequate manner.

8. Perform duties as assigned by the Board of Directors.

(6) Corporate Governance Committee

Compositions of the Corporate Governance Committee

1. Consists of representatives from executive staff who are knowledgeable and capable as members.

2. The Corporate Governance Committee is able to devote sufficient time and use the knowledge, competence, and experience in working as a director to reach to goals.

As of 31st of December 2019, the Risk Management Committee consists of 8 Risk Management Committee's members which has a 2-year tenure as follows.

Name	Position
1. Mr. Kraithip Krairiksh	Independent director / Chairman of the Corporate Governance Committee
2. Mr. Satian Pooprasert	Independent director / Member of the Corporate Governance Committee
3. Mr. Verawat Ongvasith	Director / Member of the Corporate Governance Committee
4. Mr. Visarut Poolvaraluk	Member of the Corporate Governance Committee
5. Ms. Thitapat Issarapornpat	Member of the Corporate Governance Committee

Name	Position
6. Mr.Apirak Varachanoonth	Member of the Corporate Governance Committee
7. Mr.Nipon Sunthrajarn	Member of the Corporate Governance Committee
8. Ms. Tubtim Vallikul	Member of the Corporate Governance Committee

Ms. Panita Maneedul is the Secretary of the Corporate Governance Committee

Responsibilities on Corporate Governance Function

1. Propose good corporate governance guidelines to the Board of Directors.
2. Provide advice to the Board of Directors regarding matters of good corporate governance.
3. Oversee the operation of directors and management to comply with good corporate governance principles
4. Review the guidelines for the principles of good corporate governance of the company by comparing with international practices and suggesting to the Board of Directors.
5. Provide the good corporate governance policy to the Governance Management Committee. It also includes overseeing legal compliance and organization regulations.
6. Provide policies and practices on sustainability management that includes operations in the community and environment (Corporate Social Responsibility : CSR)
7. Set the framework for the supervision of operations related to anti-corruption.

(7) Company Secretary

The Board of Directors appointed Ms. Thitapat Issarapompat to perform the duties of company secretary on giving the advices regarding laws and regulations which the Board of Directors shall be aware, to monitor the Board of Directors' conduct as well as to coordinate and follow up the execution to be according to the Board of Directors' resolution.

Responsibilities of the Company Secretary

1. To give basic advice to the Board of Directors on related laws, regulations and provisions in accordance with the good practices as well as follow up and monitor the compliance to be accurate and consistent.
2. To arrange meetings of the Board of Directors, committees and shareholders in accordance with the applicable laws, the company's regulations and practices, as well as complying with the good corporate governance policy of the company and SET
3. To monitor the disclosing of data and information to the responsible government agencies according to the regulations and requirements of related organizations, including communicating with shareholders and take care of them appropriately.
4. To provide and keep the following documents;
 - (A) Director's record.
 - (B) Invitation letter and minutes if the Board of Directors meeting, as well as the company's annual report.
 - (C) Invitation letter to shareholders and its minutes.
5. To keep the conflict of interest report provided by directors or executives.
6. To support the assignment given by the Board of Directors.
7. To operate others as specified by the capital market committee of SET.

Directors' Meeting

In 2019, the directors' meeting as following:

Name	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee
1. Mr. Somchainuk Engtrakul	5/5	-	-	-	-	-
2. Mr. Vicha Poolvaraluk	5/5	-	-	12/12	-	-
3. Mr. Verawat Ongvasith	5/5	-	1/1	12/12	1/1	1/1
4. Mrs. Paradee Poolvaraluk	5/5	-	-	12/12	-	-
5. Mr. Thanakorn Puriwekin	5/5	-	-	12/12	-	-
6. Mr. Wichai Poolvaraluk	5/5	-	-	-	-	-
7. Mr. Chai Jroongtanapibarn	5/5	8/8	1/1	-	1/1	-
8. Mr. Vallop Tangtrongjit	5/5	8/8	1/1	-	-	-
9. Mr. Kraithip Krairiksh	5/5	8/8	1/1	-	-	1/1
10. Pol. Sub.Lt.Kriengsak Lohachala	3/5	-	-	-	-	-
11. Dr. Satian Pooprasert	4/5	-	-	-	1/1	1/1

The Board of Director has approved to appoint the Risk Management Committee on 9 August 2019 and Corporate Governance Committee on 18 December 2019.

(8) Chief Executive Officer and Management Team

As at 31 December 2019, Management team of the company consisted 8 members;

Name	Position
1. Mr. Vicha Poolvaraluk	Chief Executive Officer
	Deputy - Chief Corporate Strategy & Investor Relations
	Deputy - Chief Bowling Business
2. Mrs. Jinda Wantanahatai	Chief Retail Officer
3. Ms. Thitapat Issarapornpat	Chief Finance Officer
4. Mr. Kitikorn Poomsaeang	Chief Construction Officer
5. Mr. Surachedh Assawaruenganun	Chief Media Officer
6. Mr. Apichart Kongchai	Chief Cinema Officer
7. Mr. Apirak Vorachanonth	Chief People Officer
8. Mr. Narute Jiensnong	Chief Marketing Officer

Responsibilities of Chief Executive Officer

1. To formulate business plan, investment plan, and annual budget plan for approval by the executive committee and/or the Board of Directors.
2. To be responsible for the overall management and to deliberate all the company's policies to achieve the preset objectives and within the policy, business plan and budget plan approved by the Board of Directors.
3. To be approve an execution or payment according to the company's authorization regulations or annual budget approved by the Board of Directors.
4. To recruit, hire, transfer, reshuffle, suspend or terminate employment of any executives or employees and to stipulate scope of roles and responsibilities and appropriate remuneration. An execution of position equivalent to senior via president or higher shall be reported to the Board of Directors, while an execution of positions equivalent to the internal audit department executives shall be made with the Audit Committee's consideration.
5. To appoint respective authorized persons to sign the company's document in the area of accounting, finance, purchase, production, sale and general management as well as other important document.
6. To set, change, revise or cancel any rules, regulations, order, announcement, punishment measures and internal control systems for use as guideline for all employees and to enable the internal management is executed as per the company's policies.
7. To appoint advisors in various respects significant to the operations for the best benefits of the company. The CEO is empowered to appoint attorney(s) to the lawsuit or defend case related to the company.
8. To assign person to perform task on his/her behalf as deemed appropriate. Such authorization can be terminated, changed or modified.
9. To report the company's performance, progress of any projects and financial status to the executive committee and the Board of Directors.
10. To perform other works assigned by the executive committee or the Board of Directors. In case that the CEO

or other persons with possible conflict of interest may have conflict of interest, the CEO shall have no right to approve such matter.

Nomination of the Board of Directors and Management

Criteria for nomination

Nomination of Directors

The Board of Directors has identified the process and upheld the principle of transparency in nominating members of the Board, and ensuring that it will not be interfered by shareholders with the influence on the Management. The Nomination and Remuneration Committee is responsible for nominating qualifying candidates through these channels:

- The company allowed shareholders, individual or in groups holding minor shares of at least 100,000 shares for no more than 12 consecutive months to nominate persons to be appointed as directors to the meeting agenda 3 months prior to the Annual General Meeting of the Shareholders for the Year
- Consider the Director Pool by Thai Institute of Directors Association or other agency or other channel.
- The Nomination and Remuneration Committee consider the person according to the define criteria.
- Board Skill Matrix in the knowledge, experience and relevant expertise of strategic consistency.
- Board diversity
- Leadership, vision, experience including ethic.

Nomination of Management

The nomination for executive, the committee will prescreen the qualifying candidates who fulfill every aspect of the requirement, including knowledge, skills, experience, and a well understanding in the nature of the company's business. The nominated candidates must have an excellent record of work and the capability to manage the company to achieve the goals set by the Board. The nominated candidates will be proposed at the Board of Directors meeting.

Remuneration of the Board of Directors, Sub-committees and Management

The Board of Directors' meeting no.1/2019 on 15 February 2019 resolved to approve the remunerations for 2019 no more than Baht 14,200,000 for the directors. Separate to annual compensation and meeting fee Baht 7,800,000 Noted that the company pays an additional Baht 6,400,000 of special remuneration to director's base on year performance no other benefits.

Type of remuneration as following:-

Position	Annual Remuneration (Baht)
Chairman of the Board of Directors	955,000
Director	595,000
Chairman of the Audit Committee	200,000
Audit Committee Member	75,000
Chairman of the Nomination and Remuneration Committee Member	30,000
Nomination and Remuneration Committee Member	30,000
Chairman of Executive Committee	200,000
Executive Committee Member	75,000

Remuneration of directors in 2019

Name	Position	Annual Remuneration (Baht)	Special Remuneration (Baht)
1. Mr. Somchainuk Engtrakul	Chairman of the Board / Independent Director	955,000	1,310,000
2. Mr. Vicha Poolvaraluk	Director	795,000	1,310,000
3. Mr. Verawat Ongvasith	Director	700,000	420,000
4. Mrs. Paradee Poolvaraluk	Director	670,000	420,000
5. Mr. Thanakorn Puriwekin	Director	670,000	420,000
6. Mr. Wichai Poolvaraluk	Director	595,000	420,000
7. Mr. Chai Jroongtanapibarn	Independent Director / Chairman of the Audit Committee	825,000	420,000
8. Mr. Vallop Tangtrongjit	Independent Director / Audit Committee Member	700,000	420,000
9. Mr. Kraithip Krairiksh	Independent Director / Audit Committee Member	700,000	420,000
10. Pol.Sub.Lt. Kriengsak Lohachala	Independent Director	595,000	420,000
11. Dr. Satian Pooprasert	Independent Director	595,000	420,000

Remuneration of the company's management in 2019

Remuneration of management comprise salary, bonus and provident fund comprise 7 persons totally 33.05 million baht excluding CEO who has no executive remuneration.

Good Corporate Governance

The company is strongly committed to direct and operate its business by adhering to International standard. The company's Board of Directors used practice guideline Corporate Governance Self Assessment improved to Good Corporate Governance issued by the Stock Exchange of Thailand ("SET") to the company's efficient and transparent management system inclusive to strongly respect shareholder's right and has equal treatment towards shareholders providing accurate and sufficient of significant information, in 2019 the Board of Director has considered and reviewed the CG Code to suitable to the company at least once a year. The company has implemented and maintained good corporate governance practice and complies with those five categories. Details are as follow;

1. Right of shareholders

1.1 Shareholders' right protection policy

The company's Board of Directors formulates the shareholder's right protection policy in writing in 2009. The policy emphasizes on allowing shareholders to have equal rights to have access to the company's operational performance; participating in various decision making; and protecting, promoting, and encouraging shareholders to fully exercise their rights; and not infringing shareholder's rights. Key policies are as follows:

Policy on shareholders' right protection

1. The Board of Directors is responsible for protecting and respecting basic rights of the company's shareholders, such as a right to purchase, sell or transfer shares, a right to the company's profit sharing; right to obtain sufficient information about the company's operation; right to attend the shareholder's meeting to appoint or terminate directors and independent auditors, approve dividend payment, formulate or amend Article and Memorandum of Association, and also a right to approve capital increase or reduction and special items.
2. The Board of Directors has duty to promote and support shareholders to exercise their right in various areas at the Annual General Shareholder's Meeting, including the right to propose meeting agenda in advance, the right to nominate persons as directors, the right to submit questions to the company prior to the annual shareholder's meeting and the right to openly express opinions and ask questions at the shareholder's meeting.

3. The Board of Directors shall not take any action which may infringe or limit shareholders' right.

4. The Board of Directors has responsibility to facilitate the applying of the shareholders' rights such as giving the significant information updated via website, inviting the shareholders to visit the theatre, etc.

1.2 Allowing shareholders to study information prior to the shareholder's meeting

- The Board of Directors and the company's administration has implemented a policy on shareholder's right, which covers the areas beyond those required by law, especially the right to receive information and significant information. At the Annual General Meeting of the Shareholders for the Year 2019 on 11 April 2019, the company provided sufficient opportunity for shareholders to study the information on 11 March 2019 (31 days prior to the meeting date) and document of the Annual General Meeting were published both in Thai and English languages. The information published on the company's website: corporate.majorcineplex.com is as follows:

1. Invitation to the Annual General Meeting of the Shareholders 2019
2. Attachment 1: The minutes of the Annual General Meeting of the Shareholders 2018
3. Attachment 2: Annual Report 2018 in QR Code format
4. Attachment 3: Brief Biographies of Directors to be elected as Directors to replaces those retiring by rotation, and Definition of the Independent Director
5. Attachment 4: Directors remuneration details 2019
6. Attachment 5: List of independent auditors and auditors' remuneration
7. Attachment 6: Guidelines for Proxy Appointment, Registration, and Identification Documents required for attending and voting at the Meeting of Shareholders
8. Attachment 7: Profiles of Independent Directors for proxy
9. Attachment 8: Proxy form
10. Attachment 9: The Company's Articles of Association with regard to the Meeting of Shareholders
11. Attachment 10: Map of the meeting venue

- The information and document of the Annual General Meeting of the Shareholders 2019 were published in both Thai and English languages and are the same as the printed document mailed to shareholders by Depository

for Securities (Thailand) Limited (TSD), the company's registrar. Shareholders were given sufficient time to study the information before receiving the printed document from the company 7 days in advance before the meeting.

- In the meeting day, the company facilitated shareholders to exercise their rights to attend the meeting by implementing a barcode system for registration and vote counting, as well as providing the stamps for proxy authorization. The label of registered shareholders was provided for access convenience while meeting, without timeless to recheck their documents.
- After the Annual General Meeting of the Shareholders for the Year 2019, the company compiled the document, including agenda, meeting resolutions, voting results, questions and shareholders' opinion expressed at the meeting, and prepared the "Annual General Meeting of the Shareholders for the Year 2019 Minutes" for publishing on the company's website.

1.3 Preventing limitation of shareholders' right

The company's Board of Directors did not take any action that might infringe or limit shareholders' right must to published all the information on its website prior to the annual general meeting of the shareholders 2019. The company did not distribute additional document containing significant information during the meeting, or add or change meeting agenda or amend significant information without prior notice.

1.4 Providing convenience in shareholders' right exercising

- The company provided sufficient convenience for shareholders and shareholder's proxy to register to attend the meeting by implementing a barcode system for registration and vote counting as well as distributing voting ballots to the shareholders before the meeting began.
- The company clearly stated shareholders' meeting rules and process in the meeting invitation. The moderator of the meeting also informed the attending shareholders of the rule and voting process at the meeting. The shareholders' meeting minutes also included a record that the meeting was informed of the rules and voting process.
- The company invited its shareholders to exercise their right to site visit. The company also regularly updates information and significant information published on its website.

1.5 Giving sufficient time and opportunity for shareholders to express their opinions

- The company provided opportunity for shareholders to

ask questions related to the meeting agenda openly express their opinion. The chairman of the Board of Directors asked the meeting at the end of each agenda. Questions related to the meeting agenda or the company and shareholders' opinion, as well as the answers or clarification by the Board of Directors or the company's management were all record in the meeting minutes.

- The company arranged for voice recording of the shareholder's meeting, and disclosed the significant issues raised during in the meeting minutes for reference in the future and enable shareholders who could not attend the meeting to catch up with the meeting details.

1.6 Meeting attendance of directors

With fully respect of shareholder's right, there are 11 members of the Board of Directors attended annual general meeting of the shareholders 2019 (100%). It could conclude that the company still organize the 2019 annual general meeting of shareholders as more strict than the Good Corporate Governance guideline.

2. Equitable treatment towards minor shareholders

The Board of Directors respect shareholder's equal treatment formulated the minor shareholder as follow:

- The company allowed shareholders, individual or in groups holding minor shares of at least 100,000 shares for no more than 12 consecutive months, to propose meeting agenda 3 months prior to the Annual General Meeting of the Shareholders for the Year 2019 or from 5 November 2018 to 31 January 2019. The criteria for proposing meeting agenda in advance was published on the company's website. The Board of Directors' secretary was assigned to compile the meeting agenda and proposed to the independent directors for consideration and to make them the official meeting agenda to the Board on February 2018. In 2019, none of shareholders proposed meeting agenda.
- The company opened opportunity for shareholders, individual or in groups to nominate persons to be appointed as directors or submit questions related to the meeting agenda 3 months prior to the Annual General Meeting of the Shareholders for the Year 2019 or from 5 November 2018 to 31 January 2019. The company's secretary was assigned to compile the nominated person's details and proposed to the nomination committee to consider the qualifications of person nominated by minor

shareholders in accordance with the company's nomination procedure and to make them the official meeting agenda to the Board on February 2019. In 2019, none of shareholders made nomination.

- The Board of Directors follows shareholder's right protection policy in order to allocate appropriate time for consideration and to conform to the meeting regulations, the company did not propose new agenda during the meeting or distribute additional document for shareholders consideration without prior notice.
- The Board of Directors encouraged shareholders to select the proxy form that provides them with freedom to select voting decision – agree, not agree, abstain, by preparing Proxy B form. The company also prepared the proxy A (general) and proxy C (for custodian) for its shareholders and published them for easy download on the company's website on 11 March 2019 (31 days prior to the meeting).
- The Board of Directors provided convenience for shareholders who could not attend the meeting but wish to exercise their voting rights by allowing them to assign proxy. The company arranged for 2 independent directors to attend the meeting and vote on behalf of the shareholders; (i) Mr. Chai Jroongtanapibarn, Independent Director and Chairperson of Audit Committee (ii) Mr. Vallop Tangtrongjit, Independent Director and Audit Committee Member. Shareholders can appoint one of the two independent directors as their proxy.
- The Board of Directors encouraged the meeting to use voting ballots. Voting ballots were prepared for each agenda, such as dividend payment and independent auditor remuneration, for transparency and reference in case of objection later.
- The Board of Directors formulated to executive directors and employees use internal information for advantage in Code of Conduct cover internal information security trading, conflict of interest and confidentiality announce in the Good Corporate Governance guideline, meeting and company's website. The company's secretary was responsibility announces disclosure rules to the Board of Directors and executive director explain acquisition of security and disclosure related transactions between director and management.

3. Roles of Stakeholders

The Board of Directors has stipulated and concerned for all stockholders. Not only follow regulation but also create new policy to reach of good corporate governance, by measuring related to stakeholders include 7 parts as follows:

1. Employees and families
2. Customers and creditors
3. Shareholders
4. Business partners
5. Analysts, Investors and Financial Institutions
6. Competitors
7. Social, Community and Environment

The Board of Director sets policy on treatment towards stakeholders as follows;

1. Employees and families

The Company sets policy on treatment towards employees as follows:

- 1) The company shall appropriately reward employees by considering each employee's performance using measurable tools and with fairness. The rewards include monthly remuneration, overtime payment, bonus, production reward, life and health insurance and provident fund.
- 2) The company shall promote and develop employees' knowledge and skills, for example, by arranging training and seminar for executives and employees of all levels.
- 3) The company shall fairly and equally treat all employees, such as in performance appraisal, work record confidentiality, and employee's benefits.
- 4) The company shall respect employees' right and provide opportunities for employees to speak up in case they are not treated properly by providing comment box or through Human Resources Department.
- 5) The company shall provide safe and hygienic work environment that enhance work efficiency and effectiveness.

2. Customers and creditors

The company sets policy on treatment towards customers.

- 1) The company creates customers relationship and cooperation from honesty, reliability and confidence.
- 2) The company has the duty to build customer satisfaction with sufficient and appropriate responsibility and care, as well as giving priority to customer's problems and needs. The management and all employees shall respect the following measures:

- Committed to deliver quality products that directly meet the customer's requirement.
- Respect the conditions agreed with the customers.
- Equally propose price and trade conditions to customers in the same category.
- Provide the customers with accurate information about the product quality and qualifications to ensure confidence and fairness to the company's customers.
- Willing to address customer's needs and concerns as well as to handle complaints, to recommend and to monitor progress of the matters informed by the customers

The company sets policy on treatment towards creditors.

The Company specified the Policy of equitable practice for suppliers by concerning the best interest of the Company base on the justice for both parties as to avoid of the conflict of interest, to comply with the commitment, to give correct information and accurate report, and to strictly comply with the conditions agreed with the suppliers. In case of the supplier shall not comply with any conditions, the supplier shall notify in advance in order to mutually rectify the guideline of the rule of supplier selection covering 6 parts as follows:

1. Financial Status
2. Expertise and Experience
3. Technical Ability
4. History in relation to Claims
5. Conflict of Interest/ Related Transaction
6. Anti-corruption and Quality Policies

The Company has Policy to strictly comply with the conditions, contract and agreement with the creditor on matter of the objective of fund spending, pay back and maintenance of security guarantee and other issues agreed with the creditor. In case of the Company shall not comply with any conditions, the Company shall notify the creditor to mutually rectify the default with reasonable. The Company shall maintain the creditor relationship with trust as stipulate the rule of fund management to be secure and the Company pay an important role for liquidity management in order to plan for the repayment to the creditor in specified period.

However, the Board of Directors concentrate ion following up, plan and control liquidity as appropriate with

the fund activity by having competency evaluation to protect all important risks in normal and critical circumstances.

3. Shareholders

The Board of Directors has formulated policy related to shareholders.

- 1) The company has duty to protect and respect basic rights of shareholders which are the right to purchase or transfer shares; the right to receive the company's profit share, the right to receive sufficient information about the company's operation; the right to participate in the shareholder's meeting to appoint or terminate directors, appoint external auditor, approve dividend payment, allocate annual net profit, set or amend Article or Memorandum of Association, capital increase or decrease and approve special items.
- 2) The company has the right to promote and encourage shareholders to exercise their right at 'the Annual General Shareholders' Meeting, including the right to propose agenda in advance, the right to nominate directors in advance, the right to propose questions to the meeting prior to the meeting date, and the right to express opinion and ask questions in the meeting.
- 3) The company shall not take any action that may infringe or limit the shareholders.

4. Business partners

The company sets policy on treatment towards business partners.

- 1) The company is responsible for building good relationship with every business partner.
- 2) The company is responsible for providing equal opportunity for each business partner to propose products and services. The company's management and employees who are responsible for dealing with customers shall follow the measures below:
 - Equally and fairly treat all business partners.
 - Consider and make decision by comparing quality of products and related conditions for the best benefits of the company in both short and long term.
 - Keep confidentiality in relations to customers, not accept bribes or commissions from business partners and not disclose information or one or many business partners to other partners.

5. Analysts, Investors and Financial Institutions

The company sets policy on treatment towards Analysts, Investors and Financial Institution.

- 1) The company provides information to analysts, investors and financial institutions including the information about the financial performances, business outlook accordance with the regulations and good corporate governance policy.
- 2) All information including the news that might affect investment decision will be provided in the corporate website.

6. Competitors

The company sets policy on treatment towards Competitors

The company operates business within the fairness of trade competition. The company will not seek for the competitor's trade secrets in any dishonest or inappropriate ways also will not perform any management to destroy the competitor's reputation or discredit the competitors with baseless information which contrary to the company's business ethics.

7. Social, Community and Environment

The company sets policy on treatment towards Social, Community and Environment

The company's commitment is to be a part of the sustainable social development. Therefore, the company has founded the "Major Care Foundation" with main achievement is fundraising to help the disadvantaged people in our social and to develop the surrounding society by promoting a lot of social activities to contribute public benefits and educations. The company's business is to provide the entertainment which has profuse relations with the society. For this reason, to avoid our operations causes an effect on the community, society and environment, the company has given priority to operate business strictly corresponding with the laws, regulations and related standards. The Company provides knowledge and activities to encourage environmental and social responsibilities of management and employees. The company encourages knowledge and environmental protection activities to strength awareness for management and staff.

The company sets policy on treatment towards Intellectual property

The company operates business under the intellectual property law, including copyrights, patents and other specified intellectual properties, such as using the

copyright computer programs and software. For this reason, the contributions to be used in the organization must be checked to assure that those contributions will not infringe anyone's intellectual property.

The company sets policy on treatment towards Human Rights

The company respects to the fundamental human rights which is equivalent for employee and encourages employee to have personal coequal rights, freedoms and equivalences without violation of personal privacy. The company has fair employment and will not participate in any performances against the human rights.

The company sets policy on treatment towards Anti-corruption.

To let the directors, employees and other company's representatives operate the business on propriety, fairness, integrity, transparency and accountability in accordance with laws and business ethics, the company has defined the anti-corruption policies and regulations to prevent malpractice and corruption. The Board of Directors has assigned the Audit Committee to take responsible to control and report the risk of anti-corruption according to the anti-corruption policies and regulations. The anti-corruption policies and regulations are declared through the company's code of conduct of complaints regulations, whistle blowing measures and whistleblower protection.

Anti-Corruption guidelines

The company has an audit committee and an agency to provide advices as well as to receive complaints about morality and ethics by receiving complains and collecting searches. The company also has a committee to decide on that matter which will be kept confidential including the information of the complainants, respondent complaints, witnesses, etc. Thus, the staffs including all stakeholder groups can send complaints directly to the following channels:

1. Mail specify the envelope to one of the following clue recipients:

- Chairman of the Corporate Governance Committee (Independent Director)
- Chairman of the Audit Committee (Independent Director)
- Company secretary
- Human Resources Department

By sending to the headquarters of the company
Major Cineplex Group Public Company Limited
1839, 1839/1-6 (8th floor) Phahonyothin Road,
Ladyao, Chatuchak, Bangkok 10900
2. Email: auditcom@majorcineplex.com

Whistleblowing Notice-Policy

The company provides fairness and protection to those who deny corruption by stipulating measures to protect those who reject corruption as follows;

1. Concealing such matters as confidential and disclosed to unrelated parties.
2. Prohibiting supervisors for direct and indirect coercion.
3. Do not take the cause into consideration for any punishment, no position reduction or provide a negative result to those who reject the corruption in all cases, even if the denial of that corruption will cause the company to lose business opportunities.
4. If the supervisor of the person who denies the corruption uses the reason that the person refuses corruption to the practical way then the company considers that supervisor violating the anti-corruption policy of the company which must be considered as appropriate punishment.

4. Information disclosure and transparency

4.1 Results of the execution of corporate governance policy

- In 2019, the company accurately, adequately, timely and transparently disclosed the information required by the SEC and SET through SET's online channel and the company's website. The company has never been punished by the SEC or SET for not disclosing the information as required. The company also regularly appraises the efficiency of information disclosure process and strictly follows the regulations on information disclosure.
- The company also published and regularly updated all significant information submitted to the SET and other information on its website as well as provided such information both in Thai and English for all stakeholders to have equal access to the information. The company has disclosed the annual report within 120 days from the ending of the company's fiscal year.

4.2 Remuneration of the directors and the management

- The remuneration committee formulated the policy on remuneration of directors, Chief Executive Officer and top

executives for the year 2019 as follows:

The policy on remuneration to directors, chief executive officer and top executive directors

1. Remuneration of the company's directors, chief executive officer and top executive directors shall be set in accordance with their duty, scope of responsibility, fairness and attractiveness, which should be equal to remuneration for directors in other listed companies in the same industry and similar size, as well as the size, as well as the company's performance, business environment and overall economic condition.
 2. The remuneration committee shall be responsible for initial consideration and propose for the approval of the Board of Directors and the annual general meeting of the shareholders the maximum remuneration of the year, position remuneration and meeting allowance.
 3. The remuneration committee shall respect the resolution of the Annual General Meeting of the Shareholders on the remuneration budget and details which are also disclosed in the annual report. Remuneration that the directors received from positions in other companies, such as consultancy fee, and directorship in the Company's subsidiaries shall also be disclosed.
 4. Any director who currently holds management position in the company and receives remuneration in the forms of monthly salary will not be entitled for the remuneration.
- The remuneration committee proposed to the Board of Directors and the Annual General Meeting of the Shareholders for the Year 2019 to approve a total of no more than Baht 14.2 million remunerations for the nonexecutive directors. Remunerations for the directors are shown in remunerations of Board of Directors section. The company's directors who also hold directorship in subsidiaries did not receive remunerations from the subsidiaries.

4.3 Board of Directors Report

The company prepared the board of director responsibility towards financial statements together with the independent auditor's report (published in the annual report under chapter board of director's responsibility towards financial statements).

4.4 Roles and duties of the Board of Directors and Committee

The Board of Directors performed their duties in managing the company's operation under the law, objective and regulation of the company and the resolutions at the AGM with honesty in the best interests of shareholders. The Board of Directors has appointed committees to assist in the detailed study of performance monitoring and filtering tasks as assigned.

4.5 Investor Communication

- The Committee of the Company adheres to the policy of disclosing correct, comprehensive, credible and sufficient information in a timely and transparent manner. This practice also applies to the information which may have impact on stock price of the Company. The Investor Relations Team was established to serve as the representative to communicate with institution investors, stockholders, stock analysts and those in the government sector. The Company's website is the main communication channel to convey information on Company's profile, information of the industry, financial information, details of shareholders' meetings, the Company's notification to the Stock Exchange of Thailand, and news reports which affect investment decisions. The Company's website is an effective tool to enable investors to follow the Company's information conveniently.
- The Company also prepared a brief investor relations plan. The plan, which may be changed occasionally upon appropriateness, features the following details:

- The Company organizes a quarterly meeting with stock analysts. In case, the analysts seek any other information, the Company will invite them for meetings with Investor Relations Team in a case-by-case basis.
- Meeting potential investors (Roadshow) in overseas at least once a year.
- The Company always strives to disseminate information for investors by participating in exhibitions held by Stock Exchange of Thailand, Investment Analysts Association or other organizations.

In 2019, the Company organized many Investor Relations activities for analysts and investors, as follows:

Type of Activities	No. of Events
Provide information to Analysts, Fund and Shareholders	200
Conference call with International fund	60
Meeting Investor, Fund Manager and Analyst	110
Site Visit for Shareholder and Analyst	5
International and Domestic Road Show	17

In addition, the information is provided in several channels such as IR line (02 511 5427 ext. 893, 275), corporate website, one-on-one meeting, group meeting and site visit.

5. The Board of Director's Responsibilities

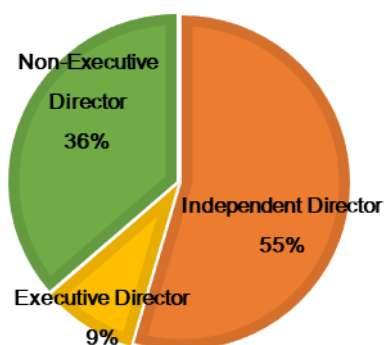
5.1 Policy on Good Corporate Governance

- The company's Board of Directors is committed to direct the business in compliance with the good corporate governance which is beneficial and important to promote efficiency and transparency of the company's operation, increase competitive advantages, and add long-term value to the shareholders. The Board of Directors and the administration have formulated good corporate governance practice and made them the company's policy in writing. The Board of Directors approved the policy which has essence as follows:
- Respecting shareholder's right on various matters, including allowing shareholders to propose agenda in advance for the shareholders' meeting, and nominating in advance persons to be selected as directors, etc. and not taking any action which may infringe or limit the rights of shareholders.
- Equitably and fairly treating all shareholders, investors, stakeholders and related parties.
- Accurately, adequately, equitably, and timely disclosing information to shareholders, investors, stakeholders and related parties through appropriate channels, including website, to enable shareholders and stakeholders to have easy access to the information.

- Performing its duties and responsibility in supervising and directing the operations of the company with integrity, ethics and prudence to achieve the company's goal and for the best benefits of the company and its shareholders, as well as preventing conflict of interests.
- Managing the company with transparency under sufficient internal control and audit system.
- Controlling and managing risks at the appropriate level.
- Operating the company with integrity and in compliance with laws and business ethics.

5.2 Structure of the Board of Directors and Committees

- The Board of Directors viewed that, considering its current scope of responsibilities, it is appropriate to have 11 members who have different qualification, skill, experience and specialization that will benefit the company, and ability to contribute time and efforts to perform duty to strengthen the Board of Directors.
- The Board of Directors gives priority to transparency and therefore stipulated that the board of director chairman is an independent director and shall not be the same person as the Chief Executive Officer or President.



Gender



5.3 Leadership and vision

- The Board of Directors has strong leadership, vision and independence in making decision for the best benefit of the company and its shareholders. Roles and responsibilities of

each committee are clearly separated. The administration information for the Board of Directors consideration.

- The Board of Directors expects to a goal to ensure stable business with long-term sustainability and success in cooperation with the management in reviewing and ensuring that vision and mission best address the changing environment. The business goals, business plan and budget were prepared by taking into consideration the maximum added value and long-term stability of the company and its shareholders. The Board of Directors also direct the business and ensure that the business operation is efficiently executed by the management.
- The Board of Directors encouraged good corporate governance within the organization and formulated good corporate governance practice, code of ethics, measures and approval procedure of related transaction between the company and related parties or persons who may have conflict of interest, as well as clearly separated the authority of shareholders from that of the Board of Directors, the Board of Directors and the executives and other committees for balance of power and independence and transparency.

5.4 Conflict of interest

- The Board of Directors shall consider related transaction that may cause conflict of interest between shareholders, directors and the management with best prudence, integrity, reasonableness and independence within good business ethic framework, and disclose complete information for the best benefit of the company. The Board of Directors shall strictly conform to the criteria and procedures or regulations set by SET and ask the audit committee to provide information about the necessity and appropriateness of such transaction.
- The Board of Directors formulated measures and approval procedure of related transaction between the company and its subsidiaries or persons who may have conflict of interest. The persons who may have direct and indirect conflict of interest shall not be allowed to make decision on the matter. The audit committee is required to participate in the consideration and provide opinions on the necessity and reasonableness of the items proposed for the best benefits of the Company. The board of the financial statements prepared by using the generally accepted accounting principles published in the annual report.

5.5 Business ethics

- The Board of Directors prepared the Management and Employees' Code of Ethics for the Company's management and employees to use as guideline in performing their duties and to strictly and consistently implement in terms of business operations, equitable and fair treatment towards stakeholders, matters related to conflict of interest, information confidentiality and possible fraudulent use of information, bribes, and gifts. The Board of Directors assigned the internal audit unit to monitor and audit the implementation of Code of Ethics.
- The Board of Directors shall monitor and ensure that the company's business operation, directors' ability to perform their duties, operation by the management, and employees work are within ethical framework in addition to the company's regulations and related laws.

5.6 Balance of power for non-executive directors

- The Board of Directors structure comprised 6 non-executive and independent directors and 5 executive directors. As of 31 December 2019, the company had 11 members of the Board of Directors. The balance of power by non-executive directors was as follows:

Executive directors

5 persons (45 %)

Non-executive and independent directors

6 persons (55 %)

5.7 Integration or segregation positions for managerial balance of power

The Board of Directors clearly divides scopes of roles and responsibilities among the Board of Directors, executive committee, audit committee, nomination committee, remuneration committee and chairman of executive committee, as well as the chair man of board with a clear stipulation that shall not be the same person as the Chairman of the Executive Committee or Chief Executive Officer not have any relations with the management in order to prevent any executive to have unlimited, check and balance management.

The Chairman of the Board of Directors performs his duties and responsibilities as the chairman of the committee including being the chairman of the annual general meeting of shareholders to conduct the meeting properly and transparently. The chairman also provides

adequate and equal opportunities for the meeting attendees to question and express their opinions or suggestions as well as letting the attendees to take participation in discussing and voting for the significant issues.

Chief Executive Officer performs his duties and responsibilities in managing the company's operation; business plan, investment plan and annual budget plan to present to the Board of Directors for approval. The chairman's duties also include supervising and controlling the company's policies to achieve the preset goals.

5.8 Role and responsibilities of the Board of Directors

- In 2019, the Board of Directors reviewed and approved significant operational matters and directed the management to efficiently implement the policy and effectively manage the budget.
- The Board of Directors reviewed the approved written good corporate governance policy at least once a year.
- The Board of Directors prepared and distributed the Code of Ethics in writing to directors, executives and employees; and reviewed other ethics for directors, executives and employees to understand ethical standards applied to its business operation. The Board of Directors assigned the internal audit department to monitor the execution of such standards.
- The Board of Directors provided financial statement control and regulations implementation. The internal audit department independently performed its duty in monitoring the implementation of these regulations and control measures and reviewed the system at least once a year.

5.9 The Board of Director's meeting

- The Board of Directors convened at least 4 times a year and arranged the meeting in accordance with the company's rules, the Public Limited Company Act B.E. 2535 and SET's regulations. The chairman of the Board of Directors, in the capacity of the meeting chairman, shall promote prudence in any consideration, provide sufficient time for the management to present significant information and for directors to discuss the matter. Meeting minutes for every meeting was made for future reference and checking. The directors are responsible for attending every meeting of the Board of Directors except in case of extreme necessity.
- Before the Board of Directors meeting in 2019, At the end of the year 2018 the Board of Director Secretary

prepared meeting agenda for the Board of Directors to be able to schedule themselves all the year round. The board of director secretary shall prepare the whole year meeting agenda and matters to be considered in each meeting in order to provide sufficient detailed information.

- In each meeting in 2019 the company's secretary will send meeting agenda and related information were distributed to the directors 7 days prior to the meeting date to provide sufficient time for the directors to study and discuss important issues.
- The meetings were strictly held in compliance with the company's rules and regulations, and the Public Limited Company Act B.E. 2535. by allowing directors to discuss the matter carefully, and the meeting must have directors attending the meeting at least 2 out of 3 of the total number of directors to constitute a quorum, thoroughly and the company's secretary and legal advisor to attend meetings and take notes, questions, and recommendations of the committee. Other directors and related parties to track and monitor them.
- The Company has the policy to allow non executive directors to hold a meeting to discuss management issues in focus without attendance of the Management at least once a year, and report to the Chief Executive Officer for the result of such meeting. In 2019, The Board of Directors meeting without director who is appointed from the Company's management was arrange 1 time on 15 February 2019.

5.10 Self assessment of the Board of Directors

The company's secretary prepared criteria for self assessment of CG Self Assessment for the Board of Directors' and sub-committee to considerate for Board evaluation and self-assessment at the end of every year to determine and correct the problem as well as improve the efficiency and effectiveness. The self assessment as referred to 6 topics:-

- 1) The structure and qualifications of the Board of Directors.
- 2) Duty and responsibility of the Board of Directors.
- 3) The Board of Directors' meeting
- 4) Performance of directors.
- 5) Relationships with the management.
- 6) Self-development of directors and management development.

In 2019, the Board of Directors and CEO performance evaluation result as follows;

-The Board of Directors performance evaluated by the team of the director was reported at **97.93%** which is an **excellent score**.

-Performance evaluation of Self- Assessment of committee as a whole was reported at **98.57%** which is **excellent** score.

-Performance evaluation of Self- Assessment of the board of directors and of committee members on an individual basis was reported at **99.34%** which is **excellent** score.

-The evaluation of the performance of the Chief Executive Officer for the year 2019, was separately evaluated by the director and brought to the meeting for discussion. The final score was reported at **99.86%** which is considered as **excellent** performance.

5.11 Directors and executives development

- The Board of Directors encouraged and provided training opportunities for the company's directors and members of committees to further improve their ability to perform their tasks. The company has 10 directors attended courses Director Accreditation Program (DAP) and/or Director Certification Program (DCP) organized by the Thailand Institute of Directors.
- The company's secretary prepared directors guidebook and criteria on information disclosure, profile, shareholdings, changes to shareholding of directors, etc. and distributed to new directors.

2019 Seminar record for directors as as follow:

1. Mr.Vicha Poolvaraluk
-Personal Data Protection Act, Tileke&Gibbins
2. Mr.Verawat Ongvasith
-Top Executive Program for Creative & Amazing Thai Services ToPCATS, UTCC
3. Mr. Vichai Poolworulak
-Thai-Chinese Leadership Studies (TCL)
4. Mr.Thanakorn Puriwekin
-Personal Data Protection Act, Tileke&Gibbins

5.12 New Director Orientation

The company has provided the new director with orientation. The company secretary is assigned to manage and prepare the orientation document, including; general information of the company, company overview, shareholder structure, corporate management structure, director guidelines and meeting agendas to inform the new director about their roles, duties and responsibilities as well as to acknowledge them about the company's policies and regulations, the comprehension of management and operation and the explication for any inquiries. The company also provided an opportunity for the new director to visit each department for more understanding and preparing for their duties.

5.13 Succession Plan

The company has sourced person who have ability to work in order to substitute available positions as well as new positions that might be occurred following to the company direction in the future. The company has created opportunities to the new business to build trust to investors and staff that the company operation will be consecutively and promptly continue by the following plan.

In case the position of director is available, nominating and remuneration committee will consider person from deputy director which currently have 1 person or might be consider and select from external candidates who talented, experienced and qualified, then submit to board meeting and annual general meeting respectively.

In case the position of chief executive is available, human resources management will nominate successor according to the plan; for the executive from director level upwards which was specified to be a successor. Besides, in case there is no suitable staff who appropriate and able to work, there will be system to develop staff in follow level to prepare or sorting and choosing qualified external candidate. Human resource management will determine the process of succession plan as follows.

1. Specify important positions that are necessary to have Succession Plan, for example; there will be executive who will be retiring within 3-5 years etc.
2. Analyst and assign competency of executives and staff in level of Chief, Director and Department Manager for positions that require Succession Plan.
3. Assign criteria for recruiting, selecting and promoting

staff positions.

4. Search and evaluate the pool of candidate from the basic data of the Human Resources Management Department.
5. Establish department training plan or positions that will create succession plan
6. Establish and operate training to develop Pool of Successors as Group / Individual development plan
7. Follow up development and operation result of Pool of Successors according to specified indicator.
8. Promotion
9. Summarize result of operating succession plan and report succession plan to board at least 1 time per year.

Internal Control and Risk Management

The Board of Directors stresses on the internal control system and internal audit in both management and operational levels. The Board of Directors and the management are directly responsible for providing and maintaining internal control system, and evaluating the sufficiency of the internal control. The internal control consists of five components: organization and environment, risk management, operational control of management, information system and communication, and monitoring system. These components help determine business direction, develop information and communication to ensure well-informed decisions, divide authority and determine the financial approval for each management level, and set clear operational procedure for each line of work. These areas of control also determine ethical practice, set transaction process to prevent conflict of interest with any parties, ensure appropriate access to information, and uphold the generally accepted accounting principles which support the work of independent auditors.

Assessment of Sufficiency for Internal Control

The Board has considered the assessment of the sufficiency of the internal control systems of the Company for 2018 with details 5 sections as follow:

Part 1 Control Environment

Part 2 Risk Assessment

Part 3 Control Activities

Part 4 Information & Communication

Part 5 Monitoring Activities

Risk Management

The company regularly conducts risk management to establish external and internal risk factors which may impact the company. All risks are properly handled and closely followed up. The company has the policy to control risks and maintain follow-up measures to reduce risk for the company.

Executive meetings are held monthly or when emergency case arises. There are also channels to communicate organization-wide to urge staff to observe risk management measures. Risks are also prioritized for systematic response. Follow-up mechanism is established to make sure the compliance of risk management plan with indicators for relevant risks. This will be reported to the board every month.

The Board of Directors has established internal audit department who Mr. Nipon Sunthrajarn is internal audit Manager to enhance internal control and compliance to the regulations. This department gives advice to other departments by encouraging self control.

Detail of Internal Auditor Director

Mr. Nipon Sunthrajarn (44 years)

Position : Internal Audit Director

Education : Bachelor degree - Faculty of Business Administration, Chaingmai University (2nd class of Honor)

Experience during last 5 years : 2007 – Present : Internal Audit Director, Major Cineplex Group Plc.

Training :

1. Quality Assurance and Improvement Program (QAIP), The Institute of Internal Auditors of Thailand
2. Transforming IA for the Digital Age, The Institute of Internal Auditors of Thailand
3. Anti- Corruption: The Practical Guide (ACPG), Thai Institute of Directors (IOD)
4. Cyber Security 4.0 for Auditor and Accountant, Federation of Accounting Professions in the royal Patronage of His Majesty The King.
5. Accounting report for executives, Thai CPD Online Co.,Ltd.
6. Cyber Leadership Forum 2018, ACIS PROFESSIONAL CENTER
7. Corporate Fraud Controls, Detection and Investigation 2018, World Business Forum
8. IT Application Audit Process in the Digital, NSTDA

9. How To Develop a Risk Management Plan, Thai Institute of Directors (IOD)

Duties and Responsibilities of the Head of Internal Audit

1. Design the overall structure and scope of responsibilities within Internal Audit Department and perform general administration management.
2. Prepare operational manuals and working standards for internal auditor and review that they have achieved the established standards.
3. Prepare annual audit plan that has been considered and approved by the audit committee
4. Prepare department annual budget and define key performance indicator for internal audit work
5. Review audit program of each audit projects, in terms of operations, information technology, in order to use resources sufficiently and to effectively and efficiently achieve audit results.
6. Determine appropriateness of information storage systems and company's asset verification.
7. Evaluate the credibility and correctness of accounting and financial information
8. Review each departmental operation to ensure compliance with company's objectives, working policies, and any related laws and regulations. And that the company has sound internal control in assurance to achieve the objectives set by the company
9. Fraud Audit and take legal actions on fraudulent lawsuit.
10. Review the audit results and follow up on agreed recommendations
11. Prepare internal audit report to the executive team, the Audit Committee, and the Board of Directors
12. Select and develop at all levels of internal auditors to be skilled and knowledgeable including evaluate internal auditors performance.
13. Provide consulting service on internal control and risk to other departments
14. Perform other special tasks as assigned by the executive management and the Audit Committee
15. Liaise with the executive management, Audit Committee, the Company's auditor and advisors.

Control on Inside Information

The company requires that its executives, member of the board and the employees adhere to the ethical use of inside information. The information, especially the trading of the company's shares, must be kept confidential. The measures to prevent the use of inside information for personal gain are following:

1. All the executives are informed of their responsibility in reporting the shareholding of individual, spouse and underage children. Any change in shareholding has to be reported as required by Sections 59 and 275 of Securities and Exchange Act (B.E. 2535)
2. All executives who have access to significant inside information and the financial statement are notified by written communication that they should refrain from trading the shares of the companies for one month. They are also reminded that such information is confidential and cannot be revealed to any individuals before the financial statement or such information is publicized.
3. The Board of Directors and the executives must report their shareholding. In addition, the Board of Directors and executives must disclose conflict of interest or relates transaction to the company secretary.

Auditor Fee

PricewaterhouseCoopers ABAS Ltd., has previously been approved by the Board of Directors' Meeting and the Shareholders' Meeting as an auditor of the Company and the Company's subsidiaries on the year 2019, the Audit Committee has considered the duty to review and audit the financial statements of the Company and of the Company's subsidiaries, the Audit Committee then proposed to fix the Auditor's remuneration of the Company and the Company's subsidiaries are fixed at the amount of not exceeding Baht 8,450,000*

Comparison of the Company and Subsidiaries

Auditor Remuneration	2018	2019
1. Auditor Remuneration of company	4,060,000	4,340,000
2. Auditor Remuneration of subsidiaries	7,540,000	7,945,000
3. Other fee	- None -	- None -
Auditor Remuneration of Company and Subsidiaries	8,045,000	8,450,000

*The Auditor Remuneration is higher than the audit fee of the year 2018, mainly related to the new subsidiary, Tai Major Co.,Ltd. was approved in the Shareholders' Meeting.

Compliance with Stock Exchange of Thailand's Code of Conduct for Listed Company's Directors.

The Board of Directors is responsible for establishing policies, vision, mission, goals, business strategy, business plan and budget of the company. The management and supervision administered according to the defined policy effectively and efficiently under the framework of laws, regulations, objectives of the company, and resolutions of the shareholders' meeting with responsibility and honesty. The director of a listed company has to comply with the Stock Exchange of Thailand's code of conduct. Additionally there must be control and monitoring of the management to ensure transparency, maintain communication and disclose the company information as appropriate. The Board of Directors, under the leadership of Chairman of the Board of director has to control and manage the company's management to deliver the operating result effectively, adding high economic value to the business, and maximizing security for its shareholders.

The Chairman of the Board of Directors and Chief Executive officer are not the same person. The Chairman of the Board of Directors is independent of major shareholders and management. There is no benefit or interest, whether direct or indirect in the finance and administration of the Company. The Chairman of the Board of Directors is elected from Independent directors.

The Board adheres to the Securities and Exchange Act, and respective rules, regulations of The Securities and Exchange Commission, complies with the Stock Exchange of Thailand's code of conduct for the directors of listed companies, The Capital Market Supervisory Board and other relevant laws.

The case of non-implemented principles of corporate governance

For the principles of corporate governance that the Company has not been implemented, the Company will take them into consideration to find appropriate ways for implementation.

1. The Board of Directors should determine the independent director to be in rotation consistently not more than 9 years.

The Board of Directors did not determine the rotation of independent directors and committee because each director has good knowledge and experience in the Company's industry which will gain the most benefit to the Company.

2. The Board of Directors should determine the independent director to entitle in no more than 5 listed companies.

The Board of Directors did not determine the entitlement's number of listed Companies for Independent Directors because each director has good knowledge and experience in the Company's industry which will gain the most benefit to the Company.

Human Resources

As at December 31, 2019, the company recorded the number of 1,812 employees, to be well-prepared for the continued growth on cinema business, bowling & karaoke business, advertising business, rental business and movie contents business. In 2019, the company opened 11 new branches to cover Bangkok, vicinity and Upcountry for customer convenience.

Business Units	Number of Employees
Head Office	393
Cinema	902
Bowling & Karaoke	252
Advertising	57
Rental Space & Services	109
Movie Contents	99
Total	1,812

Employee turnover during 2017-2019

Year	2017	2018	2019
Turn Over Rate (%)	2.10	1.62	1.39

*Exclude temporary staffs

Staff Remunerations

The remuneration management of the Company is in accordance with the job functions and professional. The remuneration of the Company includes monthly salary, overtime payment, cost-of-living allowance, rental subsidy, per diem, bonus, special-assistance pay,

insurance, annual health check up, and contribution for Provident Fund and Social Security Fund. To ensure that the remuneration for the employees is appropriate, competitive and able to retain capable workforce within the organization, the Company adjusts salary and bonus based on its annual revenue and the performance evaluation of individual staff. The Company also regularly surveys and reviews its remuneration structure to ensure a fair and proper benefit package for the employees.

In addition, the Company arranges other reward schemes including sales incentive and stock option program for executives and employees. Such policies aim to reward and motivate staff to optimize their potentials and create a sense of ownership which will encourage staff to further contribute to the organization.

Occupational Safety, Health and Environment

The company regards safeguarding of the employee's life and health, therefore, the company considers to manage about the occupational safety, health and environment together with the employee's routine duties. The company conducts the occupational safety policies and plans to prevent and decrease working-related accidents, occupational illnesses or any afflictions from unsafe environments. The company supports all activities related to the occupational safety, health and environment in workplace. In 2019, there were a total of 17 employees who had accidents or illnesses from work, but there were no employees serious accident and illnesses.



M PASSION

M	Major Iconic Leadership
P	Professionalism
A	Adaptability
S	Speed
S	Service Excellence
I	Innovation
O	Optimism
N	Network

Human Resource Management Policy

Recruitment and Motivation

The company places a focus on internal recruitment and then gives additional trainings since promotion from within will not only get staff acquainted with the company's operations and help create morale in working, but also attract them to stay longer with the company, who provides them with the comparable compensation with other companies in the same industry. In addition, the company has provided nice working environment that would increase staffs enthusiasm.

Human Resource Development

The company has internal trainings to improve skills of staff. The training involves on the job training and coaching by senior staff in each line of work. The company also encourages its employees to attend external seminars and has decent remuneration to ensure long-term work commitment. The company arranges for the staff both on the job training and functional training. For on-the-job training, senior staffs give advices and recommendations all through the whole process to junior staffs. With respect to functional trainings, various in-house training courses will be arranged by both internal and external lecturers or sending staff to attend outside seminar programs such as training in management and regularly operating. The company arranges other soft skills



such as leadership skill, selling & negotiation technique, marketing skill, team work development etc.

In addition, The company is a long-term program with an objective to promote and serve students who need to utilize their free time by working to get experiences. In this connection, The company offers the students a chance to practice in some position considered to be appropriate with their maturity, skill, and spare time of each student. In 2019, the company's employees and executives have attended the mandatory training courses totally 8,276 hours excluding online training. The company develop system for reduce expense from travel employee The company is developing a system to reduce travel expenses. All staff needs to attend orientation which explains the overview of the organization, policies in conducting business including anti-corruption policy.

Related Transactions

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transaction	Amount (million baht)	Major details/condition
Siam Future Development Plc.	Associates with 28.09% holding	Revenue:		
		11. Dividend income	46.34	The transaction is from investment.
		2. Other income	0.60	This is a normal business transaction.
		Expense:		
		1. Rental, service and utilities fee	19.96	To rent rental space to operate cinema and bowling business in Chachoengsao, Thonglor Chang Wattana and Esplanade Pattaya branches, approved by audit committee to be comparable to market price.
		2. Other expense	0.98	This is a normal business transaction.
		Trade account receivable	4.75	This is a normal business transaction.
		Other receivable	9.14	This is a normal business transaction.
		Deposits (included in other non-current assets)	2.22	This is a normal business transaction.
		Other payable	2.73	This is a normal business transaction.
Ratchayothin Avenue Co., Ltd.	Associates with 50% direct holding and 14.05% indirect holding through SF	Expense:		
		1. Interest expense	0.31	This is a normal business transaction and interest 2.25% per annum.
		2. Other expense	0.38	This is a normal business transaction.
Major Cineplex Lifestyle Leasehold Property Fund	Associates with 33% holding	Other payable	0.49	This is a normal business transaction.
		Revenue:		
		1. Management fee income	35.93	Property management fee which is a normal business transaction. Approved by Audit Committee to be comparable to market price.
		2. Utilities fee income	23.78	Utilities and service fee which is a normal business transaction. Approved by Audit Committee to be comparable to market price.
		3. Dividend income	88.21	The transaction is from investment.
		4. Other income	0.73	The transaction is from investment.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transaction	Amount (million baht)	Major details/condition
Major Cineplex		Expense:		
Lifestyle Leasehold Property Fund (cont.)		1. Rental and service	182.41	Rental space to operate cinema and bowling businesses under MJLF area. This is a normal business transaction, approved by Audit Committee to be comparable to market price.
		2. Interest expense from financial lease (included in finance costs)	1.69	This is a normal business transaction.
		3. Other expense	1.49	This is a normal business transaction.
		Trade account receivable	1.58	This is a normal business transaction.
		Other receivable	7.55	This is a normal business transaction.
		Deposits (included in other non-current assets)	3.46	This is a normal business transaction.
		Other payable	0.45	This is a normal business transaction.
		Finance lease liabilities (included in long-term borrowings from financial institutions)	21.12	This is a normal business transaction.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transaction	Amount (million baht)	Major details/condition
Major Cineplex Lifestyle Leasehold Property Fund (cont.)		Deposit receipt from property lease (included in other non-current liabilities)	123.50	This is a normal business transaction.
		Advance receipt from property lease (included in other non-current liabilities)	21.82	This is a normal business transaction.
Thai Ticket Major Co., Ltd.	Associates with 40.00% holding	Revenue: Dividend income	30.00	The transaction is from investment.
		Expense: Advertising	4.53	This is a normal business transaction.
		Other payable	56.30	Money from selling ticket and payback next month
CJ Major Entertainment Co., Ltd.	Associates with 49.00% holding	Revenue: 1. Advertising	0.24	The transaction is from investment.
		2. Other income	0.01	This is a normal business transaction.
M.P.I.C. (Cambodia) Distribution Co., Ltd.	Joint ventures with 50.85% indirect holding through MPIC (MAJOR's subsidiary company)	Revenue: Distribution fee	1.42	This is a normal business transaction.
		Trade account receivable	5.56	This is a normal business transaction.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transaction	Amount (million baht)	Major details/condition
Major Kantana Broadcasting Co., Ltd.	Joint ventures with 41.61% indirect holding through MPIC (MAJOR's subsidiary company)	Revenue:		
		1. Management fee	0.48	This is a normal business transaction.
		2. Advertising	0.09	This is a normal business transaction.
		3. Rental and service income	1.02	This is a normal business transaction.
		4. Distribution fee	1.35	This is a normal business transaction.
		Expense:		
		Advertising	0.05	This is a normal business transaction.
		Trade account receivable	0.27	This is a normal business transaction.
		Other receivable	0.05	This is a normal business transaction.
		Other payable	4.61	This is a normal business transaction.
Transformation Film Co., Ltd.	Joint ventures with 32.07% indirect holding through MPIC (MAJOR's subsidiary company)	Revenue:		
		1. Management fee	4.46	This is a normal business transaction.
		2. Advertising	3.23	This is a normal business transaction.
		3. Distribution fee	3.11	This is a normal business transaction.
		Expense:		
		1. Film hire cost	6.03	Cost from revenue sharing from theatrical release. This is a normal transaction.
		2. Other expense	1.77	This is a normal business transaction.
		Trade account receivable	7.61	This is a normal business transaction.
		Other receivable	0.36	This is a normal business transaction.
		Trade account payable	13.85	This is a normal business transaction.
Joint venture Bikeman	Joint ventures with 64.72% indirect holding through MPIC (MAJOR's subsidiary company)	Revenue:		
		1. Management fee	0.04	This is a normal business transaction.
		2. Other income	0.16	This is a normal business transaction.
		Trade account receivable	0.10	This is a normal business transaction.
		Trade account payable	0.55	This is a normal business transaction.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transaction	Amount (million baht)	Major details/condition
Joint venture Sangkrasue	Joint ventures with 27.74% indirect holding through MPIC (MAJOR's subsidiary company)	Revenue:		
		1. Management fee	0.12	This is a normal business transaction.
		2. Advertising	0.14	This is a normal business transaction.
		3. Distribution fee	5.13	This is a normal business transaction.
		Expense:		
		Film hire cost	13.07	Cost from revenue sharing from theatrical release. This is a normal transaction.
		Trade account receivable	0.03	This is a normal business transaction.
		Other payable	0.20	This is a normal business transaction.
Joint venture Khun Phaen Fah Feun	Joint ventures with 47.16% indirect holding through MPIC (MAJOR's subsidiary company)	Revenue:		
		1. Management fee	0.07	This is a normal business transaction.
		2. Advertising	0.46	This is a normal business transaction.
		3. Distribution fee	46.65	This is a normal business transaction.
		4. Other income	0.03	This is a normal business transaction.
		Expense:		
		1. Film hire cost	8.60	Cost from revenue sharing from theatrical release. This is a normal transaction.
		2. Other expense	0.98	This is a normal business transaction.
		Trade account receivable	3.50	This is a normal business transaction.
		Other receivable	0.03	This is a normal business transaction.
		Trade account payable	1.69	This is a normal business transaction.
		Other payable	0.09	This is a normal business transaction.
Joint venture THAT MARCH	Joint ventures with 12.94% indirect holding through MPIC (MAJOR's subsidiary company)	Revenue:		
		Distribution fee	0.29	This is a normal business transaction.
		Expense:		
		Film hire cost	3.24	Cost from revenue sharing from theatrical release. This is a normal transaction.
		Trade account receivable	5.01	This is a normal business transaction.
		Other payable	0.02	This is a normal business transaction.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transaction	Amount (million baht)	Major details/condition
Joint venture OUR LOVE FOREVER	Joint ventures with 12.94% indirect holding through MPIC (MAJOR's subsidiary company)	Revenue:		
		Distribution fee	0.32	This is a normal business transaction.
		Expense:		
		Film hire cost	2.55	Cost from revenue sharing from theatrical release. This is a normal transaction.
		Trade account receivable	0.34	This is a normal business transaction.
		Other payable	1.40	This is a normal business transaction.
Joint venture Keun Yuttitham	Joint ventures with 64.72% indirect holding through MPIC (MAJOR's subsidiary company)	Revenue:		
		Management fee	0.05	This is a normal business transaction.
		Trade account payable	17.00	This is a normal business transaction.
Joint venture Bikeman 2	Joint ventures with 50.85% indirect holding through MPIC (MAJOR's subsidiary company)	Revenue:		
		1. Management fee	0.04	This is a normal business transaction.
		2. Advertising	0.20	This is a normal business transaction.
		3. Distribution fee	0.96	This is a normal business transaction.
		4. Other income	0.53	This is a normal business transaction.
		Expense:		
		Film hire cost	5.30	Cost from revenue sharing from theatrical release. This is a normal transaction.
		Trade account receivable	1.43	This is a normal business transaction.
		Other receivable	0.01	This is a normal business transaction.
		Trade account payable	0.17	This is a normal business transaction.
Joint venture Hug Terd Tueng	Joint ventures with 50.85% indirect holding through MPIC (MAJOR's subsidiary company)	Revenue:		
		Management fee	0.03	This is a normal business transaction.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transaction	Amount (million baht)	Major details/condition
Joint venture Gang Tann Zine and Laan25 Naa24	Joint ventures with 64.72% indirect holding through MPIC (MAJOR's subsidiary company)	Revenue:		
		1. Management fee	0.09	This is a normal business transaction.
		2. Advertising	0.05	This is a normal business transaction.
		3. Distribution fee	0.36	This is a normal business transaction.
		4. Other income	0.26	This is a normal business transaction.
		Expense:		
		Film hire cost	1.58	Cost from revenue sharing from theatrical release. This is a normal transaction.
		Trade account receivable	0.38	This is a normal business transaction.
		Other receivable	0.01	This is a normal business transaction.
		Trade account payable	0.54	This is a normal business transaction.
Joint venture Sam Gler Hua Kaeng and Juad Kathoei Bung Fai	Joint ventures with 64.72% indirect holding through MPIC (MAJOR's subsidiary company)	Revenue:		
		1. Management fee	0.07	This is a normal business transaction.
		2. Advertising	0.04	This is a normal business transaction.
		3. Distribution fee	0.22	This is a normal business transaction.
		Expense:		
		Film hire cost	0.53	Cost from revenue sharing from theatrical release. This is a normal transaction.
		Trade account receivable	0.24	This is a normal business transaction.
		Trade account payable	0.57	This is a normal business transaction.
MVP M-Picture Films Distribution (Lao) Co., Ltd.	Joint ventures with 36.98% indirect holding through MPIC (MAJOR's subsidiary company)	Revenue:		
		1. Interest income	0.02	This is a normal business transaction and interest 4.60 per annum.
		2. Distribution fee	1.48	This is a normal business transaction.
		Trade account receivable	0.95	This is a normal business transaction.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transaction	Amount (million baht)	Major details/condition
MacThai Co., Ltd.	90% holding by Poolvaraluk Family	Revenue:		
		1. Rental, service and utilities fee income	32.07	Rental space of MAJOR Group at Ratchayothin, Sukhumvit, Rangsit, Samrong, and Metropolis branches. This is normal transaction and approved by audit committee to be comparable to market price.
		2. Advertising	40.00	This is a normal business transaction.
		3. Interest income	0.13	This is a normal business transaction.
		4. Other income	3.19	This is a normal business transaction.
		Trade account receivable	32.53	This is a normal business transaction.
		Other receivable	0.08	This is a normal business transaction.
		Other payable	1.27	This is a normal business transaction.
		Advance receipt from land rental (included in other non-current liabilities)	6.52	This is a normal business transaction.
Mackenna Land Co., Ltd.	100% indirect holding through VP 39 Holding Co., Ltd. (Poolvaraluk Family's Company)	Expense:		
		Other expense	11.54	This is a normal business transaction.
		Trade account receivable	0.03	This is a normal business transaction.
		Other payable	0.17	This is a normal business transaction.
Well Ad Co., Ltd.	Holding by Mr. Vicha Poolvaraluk 70.99% and Mrs. Paradee Poolvaraluk 29%	Expense:		
		Management fee	13.20	Bt 1.10 million per month started from 1 January 2016 – 31 December 2020. Approved by Audit Committee. The agreed price as stipulated in the agreements and is no more than 1% of revenue with cooperative less than compensation for Managing Director in listed companies.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transaction	Amount (million baht)	Major details/condition
Well Cineplex Co., Ltd.	Holding by Mr.Vicha Poolvaraluk's father 20%, Mr.Vicha Poolvaraluk's mother 20% and Mr.Vicha Poolvaraluk 10%	Revenue:		
		Theatrical sharing revenue	0.51	Revenue sharing from theatrical re-lease. This is a normal transaction.
		Trade account payable	1.44	This is a normal business transaction.
Well Entertainment Part, Ltd.	Holding by Mr. Vicha Poolvaraluk's father 50%, Mr. Vicha Poolvaraluk's mother 10%	Expense:		
		Utilities fee	3.87	This is a normal business transaction.
		Trade account receivable	0.59	This is a normal business transaction.
		Other receivable	0.02	This is a normal business transaction.
		Trade account payable	0.52	This is a normal business transaction.
		Other payable	0.05	This is a normal business transaction.
Veranda resort Plc.	Holding by Mrs. Paradee Poolvaraluk 2.87%	Expense:		
		Other expense	0.12	This is a normal business transaction.
Petch Pinklao Co., Ltd.	100% indirect holding through VP 39 Holding Co., Ltd. (Poolvaraluk Family's Company)	Expense:		
		Rental, service and utilities fee	34.56	Paid for the right to rent MAJOR Cineplex pinklao branch. The agreed price was comparable Central Pinklao's project and was approved by Audit Committee.
		Trade account payable	0.37	This is a normal business transaction.
Viracha Co., Ltd.	99.98% indirect holding through VP 39 Holding Co., Ltd. (Poolvaraluk Family's Company)		0.47	This is a normal business transaction.
		Expense:		
		Other expense	3.81	This is a normal business transaction.
		Other payable	0.17	This is a normal business transaction.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transaction	Amount (million baht)	Major details/condition
Vie Maldives Private Limited	99.98% indirect holding through VP 39 Holding Co., Ltd. (Poolvaraluk Family's Company)	Expense:		
		Other expense	1.04	This is a normal business transaction.
Ratchayothin Avenue Management Co., Ltd.	13.17% Indirect holding through Siam Future Development Plc. and 50.00% Indirect holding through Ratchayothin Avenue Co., Ltd.	Revenue:		
		Management fee income	0.41	27,000 baht a month for manage ratchayothin branch. This is normal transaction and approved by audit committee to be comparable to market price.
		Expense:		
		Utilities expense	1.35	This transaction was for rental space with purpose of operating the company's office at Ratchayothin avenue. Approved by Audit Committee to be comparable to market price.
		Other payable	0.15	This is a normal business transaction.
SF Development Co., Ltd.	13.17% Indirect holding through Siam Future Development Plc.	Expense:		
		1. Rental, service and utilities fee	52.91	This is a normal business transaction.
		2. Other expense	3.25	This is a normal business transaction.
		Deposits (included in other non-current assets)	25.82	This is a normal business transaction.
		Trade account payable	0.02	This is a normal business transaction.
		Other payable	8.96	This is a normal business transaction.
We Fitness Co., Ltd.	Holding by Mrs. Paradee Poolvaraluk 100%	Revenue:		
		1. Rental, service and utilities fee	19.62	To rent space in the building of the MAJOR Group.
		2. Other income	1.40	This is a normal business transaction.
		Expense:		
		Other expense	5.48	This is a normal business transaction.
		Trade account receivable	1.78	This is a normal business transaction.
		Other receivable	10.00	This is a normal business transaction.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transaction	Amount (million baht)	Major details/condition
Siam Future Property Co., Ltd.	28.09% Indirect holding through Siam Future Development Plc.	Expense:		
		1. Rental, service and utilities fee	13.03	To rent rental space and service to operate cinema and bowling business in Esplanade branch. This is normal transaction and approved by audit committee to be comparable to market price.
		2. Other expense	1.55	This is a normal business transaction.
		Deposits (included in other non-current assets)	0.31	This is a normal business transaction.
		Other payable	2.73	This is a normal business transaction.
Friend Aircraft Co., Ltd.	Holding by Mr. Vicha Poolvaraluk 25% and Mrs. Paradee Poolvaraluk 25%	Expense:		
		Other expense	5.06	This is a normal business transaction.
		Other payable	1.65	This is a normal business transaction.
Mtel Solution Limited	Co-holding in subsidiary (Mtel (Thailand) Co., Ltd.) 30%	Other receivable	1.39	This is a normal business transaction.
Viranda Beach Pattaya Co., Ltd.	2.52% Indirect holding through Mrs. Paradee Poolvaraluk	Expense:		
		Other expense	0.11	This is a normal business transaction.
		Other payable	0.01	This is a normal business transaction.
Next Step Venture Limited	Co-holding in subsidiary (Mtel (Thailand) Co., Ltd.)	Expense:		
		Consultant fee	0.70	10,000 US Dollar per month.
		Other payable	0.65	This is a normal business transaction.

Major Shareholders

Top 10 Shareholders as of 31 December 2019

Shareholders	Shares	%
1. Mr. Vicha Poolvaraluk	265,040,100	29.62%
2. Thai NVDR Company Limited	63,366,786	7.08%
3. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	48,028,280	5.37%
4. GIC PRIVATE LIMITED	45,547,200	5.09%
5. NORTRUST NOMINEES LTD-CL AC	44,929,302	5.02%
6. STATE STREET EUROPE LIMITED	41,078,615	4.59%
7. MORGAN STANLEY & CO. INTERNATIONAL PLC	37,261,300	4.16%
8. Mr. Visarut Poolvaraluk	20,436,900	2.28%
9. Mrs. Paradee Poolvaraluk	18,345,536	2.05%
10. Social Security Office	12,541,700	1.40%

Dividend Policy

The company has policy to pay dividend to the shareholders. In case of sufficient cash flow and there is no need for additional investment, the company will pay dividend of 40% of net profit. However, the company board may set a different dividend level in respond to the circumstance of the company, the situation of the company's liquidity, the economic condition and market outlook.

Shareholdings of the Board of Directors and Management

Name	Position	Shares			
		31 Dec 18		31 Dec 19	
		Direct	Indirect*	Direct	Indirect*
1. Mr. Somchainuk Engtrakul	Chairman of the Board of Directors / Independent Director	-	-	-	-
2. Mr. Vicha Poolvaraluk	Director/Chief Executive Officer	265,040,100	18,345,536	265,040,100	18,345,536
3. Mr. Verawat Ongvasith	Director	1,020,000	-	1,020,000	-
4. Mrs. Paradee Poolvaraluk	Director	18,345,536	265,040,100	18,345,536	265,040,100
5. Mr. Thanakorn Puriwekin	Director /Chief Films Officer	440,000	-	440,000	-
6. Mr. Wichai Poolvaraluk	Director	-	350,000	-	350,000
7. Mr. Chai Jroongtanapibarn	Independent Director	672,500	-	672,500	-
8. Mr. Vallop Tangtrongjit	Independent Director	-	-	-	-
9. Mr. Kraithip Krairiksh	Independent Director	-	-	-	-
10. Pol.Sub.Lt. Kriengsak Lohachala	Independent Director	-	-	-	-
11. Dr. Satian Pooprasert	Independent Director	-	77,500	-	60,000
12. Mr. Kitikorn Poomsaeang	Chief Construction Officer	30,046	-	30,046	-
13. Mrs. Jinda Wantanahatai	Chief Retail Officer	102,665	-	88,665	-
14. Mr. Surachedh Assawaruenganun	Chief Media Officer	-	-	-	-
15. Mr. Apichart Kongchai	Chief Cinema Officer	27,740	-	27,740	-
16. Ms. Thitapat Issarapornpat	Chief Finance & Account Officer / Secretary	40,040	-	40,040	-
17. Mr. Apirak Varachanonth	Chief People Officer	2,000	-	2,000	-
18. Mr. Narute Jiensnong	Chief Marketing Officer	27	-	27	-

Note : Indirect is securities held by a spouse and/or minor children of directors and executives

Corporate Social Responsibility Activities



Donate for Education to Thairath Foundation

Vicha Poolvaraluck, Chief Executive Officer of Major Cineplex Group Public Co., Ltd., donated 200,000 baht for education to Thairath foundation to help the society.

Major Cineplex Group ready to be Green Cinema in collaboration with Bioform using biodegradable sugarcane straws and providing waste separation bins

Narut Jiersanong, Deputy Chief Executive Marketing Officer of Major Cineplex Group Public Co, Ltd., in collaboration with Dr. Weerapong Sattaphon, Economic Executive Committee of Bioform (Thailand) Co., Ltd., became a part of campaigning and raising awareness to preserve the environment by encouraging customers to reduce, reject and stop using single-use straw which causing waste and currently affected the environment. Ready to be Green Cinema, Major Cineplex Group provided straws from natural material like sugarcane which is biodegradable, starting from July 2019 and furnished waste separation bins such as plastic, paper and general waste in order to be easy to discard and to be processed. It is help solving waste overflowing problem in the city. The project launched at Major Group Cinemas such as Major Cineplex Ratchayothin, Sukhumvit-Ekkamai, Rangsit, Esplanade Cineplex Ngamwongwan-Khae Rai, Paragon Cineplex and Quartier CineArt.



Major Cineplex Group in collaboration with Bangkok Life Assurance

provided 5,000 pieces of N95 mask

Major Cineplex Group Public Co., Ltd. in collaboration with Bangkok Life Assurance Public Co., Ltd held the project called “care and mind for people ” , providing 5,000 pieces of N95 mask for customers in order to lighten the problem from “ PM 2.5 dust particle” that exceeded the standard in Bangkok and surrounding area. The event were held at 6 branches of Cinemas in Major Cineplex Group such as Major Cineplex Ratchayothin, Central Rama2, Mahachai Samutsakorn province, Salaya Nakornpathom province, Paragon Cineplex and Mega Cineplex Bangna which located in the area that PM 2.5 dust particle exceeded the standard and affected activities and health.

Sponsor for “Nurse for Love Concert”

contributed to welfare fund for nurses who injured or passed away while working

Dr. Piyasakol Sakolsatayadorn, Minister of Public Health, and Assoc. Prof. Supanee Senadisai, President of the Nurses'Association of Thailand gave a bouquet of flowers to Major Cineplex Group Public Co., Ltd. to thanks for support “Nurse for Love Concert” which was held by the Nurses’ Association of Thailand contribute to welfare for nurses who injured, disabled or passed away while on duty.



"Green Lifestyle Entertainment"

Major Bowl Group co., Ltd in collaboration with Biodegradable Packaging for Environment Co., Ltd., packaging maker and distributor under brand called "Gracz", emphasized eco-friendly business leader starting on June 5, the world environment day, by becoming "Green Lifestyle Entertainment" shift from using made-from-foam food containers to using products made from bagasse which decomposes within 45 days. Major Bowl provided them for both customers who hold the party with food booths and also take-out customers. Major Bowl aimed to reduce the usage of plastic within the year 2019 especially single-use products such as straws, foam boxes, plastic cups, plastic stir sticks, spoons and forks which were used more than 1,300,000 pieces per year. This project will reduce the usage of plastic around 8,000 kilograms per year in order to be model project to raise conscious and awareness to be part of environmental preservation.



Major Cineplex Group

and Thai Red Cross join blood drive

Major Cineplex Group and **Thai Red Cross** invited its employees and the general public to donate blood every 3 months. This activity was organized to promote blood donation to ensure sufficient blood stock for the Thai Red Cross. In 2019, the Company, There were 397 donors with 346 units.

The Operation which impact to CSR

-None-



Major Care Foundation Activities 2019

Major Care Foundation was established as a charity organization in the year 2012 to enhance and support the quality of life among children with disability and the underprivileged elders, by focusing on offering opportunities in education to widen their learning perspectives, fulfill the experience outside classroom, and facilitate their improvement and inspiration, so that these children will grow up to be the quality force for our society. The core goals of Major Care Foundation are achieved through three main activities:

1. "Broaden Horizons, Creating Smiles" Activity, Major Care Foundation was able to take disadvantaged children 6 -18 years to watch movies 34,000 children per year and disadvantaged elderly that over 60 years. During 6 years period, Major Care Foundation bring disadvantaged children to watch movie in cinema totaling 248,609 children and disadvantaged elderly totaling 43,644 elderly

In 2019, Major Care Foundation bring disadvantaged children to watch movie in cinema totaling 41,108 children and disadvantaged elderly totaling 8,941 elderly in Bangkok and upcountry.

2. "Paint Smile into the heart Charity" Activity, Major Cineplex Group supported scholarships for needy students. After watching a special movie session sponsored by MAJOR, students would be invited to write an expressive essay. Top 10 students from poor families would be given

10,000 baht scholarship while the other 10 scholarships would be given to physically and mentally challenged pupils. The charity had so far given away 120 scholarships.

In 2019, the charity was hosted by Major Care Foundation which raised fund from a bowling charity at Blu-O Rhythm and Bowl, 5th Floor of Paragon Cineplex. After expense deduction, the fund would be used for charitable activities of the Foundation.

3. Major Care Foundation built movie centers for 10 rural schools. The centers would facilitate the extracurricular activities and open the world for the kids, and served as recreational hubs for the communities. Great movies, cartoons and documentary together with advice of teachers would inspire and sowed positive attitude for the kid's daily life. The Foundation would select and consistently supply the centers with great movies and documentaries. During 4 years period, Major Care Foundation has prepared and transfer a film room for learning includes 41 schools in 41 provinces.

Major Care Foundation is continually committed to create and contribute charitable works to the society, no matter how many years have passed. The world of giving that is filled with happiness and fueled continuous commitment will never stops moving. The foundation will reach to every corner of the country to forever paint the wide, wide world with inspiration, knowledge, happiness, and smiles.

Responsibility Statement of the Board of Directors to the Financial Statement

The Board of Directors is responsible for the company and consolidated financial statements as well as financial information as publicized in annual report. The financial statements are prepared according to generally accepted accounting standard in Thailand which applied appropriate policy, consistent practice with careful consideration and best estimation as well as enough disclosure of information in the notes to financial statement. Moreover, the Board of Directors has provided and maintained efficient internal control system to ensure that accounting records are accurate, complete and adequate to preserve assets and prevent fraud or materially irregular operations.

Also, the Board of Directors has appointed the Audit Committee who is independent directors and not be a part of management team to take responsibility of financial statements, internal control system and to ensure and opine over related and conflict of interests transactions that are accurate and complete. The Audit Committee's opinion has been shown in the Audit Committee report in this annual report.

The Board of Directors believes that the company's internal control system is sufficient and be able to ensure that the company and consolidated financial statements as of December 31, 2019 are reasonably trusted.



Mr. Somjainuk Engtrakul

Chairman of the Board



Mr. Vicha Poolvaraluk

Chief Executive Officer

Management Discussion & Analysis

Performance Overview in 2019

Even though the overview of Thai economy in 2019 seems slow down, but the expansion of private consumption, private investment and public investment are increased. With the support of low rate of interest and inflation as well as various government measures to promote spending make the customers continuously visit the cinemas which results in the growth of film industry. The foreign hero movies are still very popular and make higher income than last year, such as; Avengers End Game ,Spiderman Far From Home ,Captain Marvel. 2018For Thai movies, though there is no new movie that can gain as much income as Nakee 2, in the trend of Thai film industry in this year is still expanding because of the number of branches provided service throughout country and the changing of investment style in film production with more becoming joint ventures and partners with film companies and foreign capitalists from China, Korea, Taiwan, Hong Kong, Singapore, etc. In addition to be screened in Thailand, the films can be sent to screen in the countries that shared investment which also expand the base of Thai films.

For the advertising industry, a lot of media has been continuously impacted negatively, but for the advertising media in cinemas is still growing against the other media. The growth factor of advertising in cinemas is the continuous expansion of the company's branches throughout the country. At the end of 2019, the company has 170 branches with 812 cinemas over 60 provinces and expanding the student customer base from MPASS member card, MGEN member card as well as the children and family customers by special cinemas, such as; Kids Cinema. So that the advertising media in cinemas can reach customers nationwide in various groups, both urban and provincial people in the groups of new generations that are teenagers, working ages and families. This attracts the interesting of products and brands to use as the way of communication as well as other mass media.

New and Revised Financial Reporting Standards

Financial reporting standards that became effective in the current year

During the year, the company and its subsidiaries adopted and applied multiple revised financial reporting standards and interpretation of reporting standards which are effective beginning for the financial statement with the accounting period began on or after 1 January 2019, that is the Thai Financial Reporting Standard No.15 regarding revenue from contracts with customers (TFRS 15) has been revised or established so that revenue recognition reflects the control of goods and services transferred instead of revenue recognition under the principle of risks transferring and rewards in goods and services to buyers by applying the modified retrospective approach and the comparative figures have not been restated. The company applies practical expedient relates to completed contracts and contract modifications as allowed by TFRS 15. and for the liabilities arising from contracts with customers regarding the special privileges, according to the new financial reporting standards, there is no significant difference from the amounts previously recognized under previous accounting policies, but it has been reclassified in the statement of financial position.

In addition, there are Thai Financial Reporting Standard No. 2 (revised 2018) regarding share-based payments, Thai Accounting Standard No. 28 (revised 2018) regarding investment in subsidiaries and joint ventures, and Thai Financial Reporting Interpretations Committee No. 22 regarding Foreign Currency Transactions and Prepaid Compensation which are updated to clarify the information disclosure in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the company and its subsidiaries.

Financial reporting standards that are will become effective in the future

The Federation of Accounting Professions of Thailand has promulgated multiple new and revised Thai Financial Reporting Standards and Thai Financial Reporting

Interpretations Committee which will become effective for the financial statements with the accounting period begin on or after 1 January 2020. Those financial reporting standards have been revised or issued to provide an equivalent content to the International Financial Reporting Standards. Most of them are clear explanations about accounting practices and providing accounting practices standard to users. The management team of the company and subsidiaries believe that the revised financial reporting standards mostly will not have any significant impact on the financial statements when being implemented. However, there is the new financial standard which has changes in key principles that is Financial Reporting Standard No.16 regarding leases which make the company as the lessee recognize almost all of the lease contracts in the statement of financial position that no longer classified as operating lease and financial lease. The company must recognize assets, usage rights and liabilities under lease contracts except for short-term leases and low value assets leases. The company is currently assessing the impact of implementing this financial reporting standard for the first time. The additional details can be found in the notes to the financial statements.

Analysis of Operating Result and Profitability

In 2019, the revenue of the company and its subsidiaries have continuously grown with total revenue of 10,697 million baht, increased by 7% from the previous year. Although the net profit for this year is 1,170 million baht, decreased by 9% from the previous year (2018,

1,284 million baht), but it is mainly the result of special items of profits from sale of investments in subsidiaries and available-for-sale securities. If excluding those special items, the company will have net profit before deducting in the amount of 1,138 million baht, increased by 19% from the previous years (2018, 955 million baht).

The company's operating result is still growing continuously from the company's intension to expand branches in order to provide service to be able to reach the most customers, the expansion of customer bases and the creation of movies watching culture. As a result, in 2019, the total number of movie viewers is 40 million people, increased by 6% from the previous year. However, the company has managed to reduce costs and expenses by increasing efficiency in various aspects, such as; the ability to expand gross profit margin through selection and development of product quality to better meet the customer needs, the increase of employee efficiency, the control of administrative expenses and other expenses, etc.

Sales and Services Revenue and Other Income

The proportion of revenue from sales and services in 2019

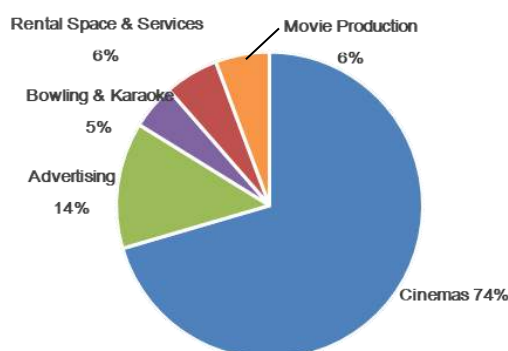


Table comparing income from each business with previous year

Business	Y2019		Y2018		Increased (Decreased)	
	Mil baht	%	Mil baht	%	Mil baht	%
Cinemas	7,953	74%	7,564	76%	389	5%
Advertising	1,584	15%	1,340	13%	244	18%
Bowling and Karaoke	419	4%	438	4%	-19	-4%
Rental and Service	430	4%	425	4%	6	1%
Movie Production	311	3%	185	2%	126	68%
Total Income	10,697	100%	9,952	100%	745	7%

Income from selling movie tickets and selling food & beverage of 7,953 million baht, increasing 389 million baht or 5% compared to the previous year. The business growth factor is the number of branches expansion which attract new customer groups, such as; student group from MPASS member card and family group with good response to Kids Cinema. The various products sales and foreign movies are still very popular as mentioned above. In addition, the more number of Thai movies being screened meet the needs of provincial customers even more.

Income from advertising media of 1,584 million baht, increasing 244 million baht or 18% compared to the previous year. This comes from the renewal contract of existing customers, the adding of new customers and the expansion of cinema branches.

Income from bowling & karaoke of 419 million baht, decreasing 19 million baht or 4% compared to the previous year. This comes from the closing down of 3 branches with low profit for the business of bowling, karaoke and ice skating, that are Hat Yai Branch, Udonthani Branch and Chiang Mai branch.

Income from rental space and services of 430 million baht, increasing 6 million baht or 1% compared to the previous year. This comes from the increase of occupancy from 91.3% to 92.2% from Ngamwongwan branch which provides more space for rent

Income from movies production of 311 million baht, increasing 126 million baht or 68% compared to the previous year. This comes from the income from selling foreign movies and increasing Thai film production to screen through the cinemas and Free TV

Other income of 150 million baht, decreasing 306 million baht (in 2018 : 457 million baht) or 67% compared to the previous year. This causes from the profit from disposal of investment in associates company decreased by 253 million baht, the profit from disposal of investment in available-for-sale securities decreased by 43 million baht, and the MVD Company Limited (a subsidiary company) has recoverable bad debt from the previous year in the amount of 10 million baht.

Cost of sales and Gross profit

In 2019, the company has a total cost of 7,006 million baht, increasing 507 million baht or 8% from the previous year (in 2018 : 6,499 million baht). The percentage of total revenue is 65% equal to the previous year. This is the result of adjustment according to sales. However, when considers the gross profit, the company has gross profit of 3,691 million baht, increasing 238 million baht or 7% from the previous year with a gross profit margin of 35%, equal to the previous year. This is the result of continuous cost-effective management.

Selling and Administrative Expenses

In 2019, the company has total selling and administrative expenses of 2,561 million baht, increasing 70 million baht or 3% from the previous year (In 2018 : 2,491 million baht) with the ratio to income 24%, decreasing from previous year which had cost-to-income ratio of 25% compared to the rate of revenue growth and the expansion of branches. The company still able to manage and control the cost per cinema efficiently. The increase of expenses are mainly from the maintenance and renovation cost for the existing branches to be more modern, the technology development and the employee expenses, etc. However, the company is still determined to find better ways to reduce costs by increasing more efficiency of existing resources

Finance costs

The finance costs for the year 2019 were 98 million baht, decreasing 10 million baht or 9% compared to the previous year. This is the result of the gradual repayment of the loan under the contract and the analysis and consideration of financial management costs through various tools. The company also using money from cash flow or loaning money from a bank in order to balance the costs in accordance with the company's policy as well as controlling the interest bearing debt-to-equity ratio in appropriate level.

Net Profit

In 2019, the company's operating result has net profit at 1,170 million baht, decreasing by 114 million baht from the previous year or 9%. The company's net profit to revenue ratio is 11%, decreased from the previous year which was 13%. The earnings per share is 1.31 baht per share, decreased from the previous year which was 1.43 baht per share. The main reason is the decrease of profit from the disposal of investment in associates company and available-for-sale securities as mentioned above. If excluding those special items, the company still has the ability to expand the profitability ratio and manage the costs and expenses effectively.

Return on Equity

The return on equity ratio as of 31 December 2019 is at 18.05%, decreasing from the last year at 19.86% due to the reduction of profitability caused from the special items, profit from the disposal of investment in associates company and available-for-sale securities as mentioned above.

Asset Management Capability

As of 31 December 2019, the company has total assets of 14,006 million baht, consisting of current assets of 2,420 million baht and non-current assets of 11,586 million baht. The total assets decreased by 68 million baht or 0.5% compared to the consolidated financial statements. for the year 2018 ended 31 December 2018, in which the company has total assets of 14,074 million baht with has a higher return on fixed assets from 34.56% of the previous year to 35.33%. The change in value resulted from the following significant items:

-Cash and cash equivalent increased by 365 million baht from the increase of operating cash flow.

-Investment in associates and joint ventures increased by 435 million baht from the increase of investment and

share of profit of investments in associates and joint ventures

-Trade accounts receivable decreased by 106 million baht mainly from receiving payment from advertising media receivables.

-Net property, plant and equipment decreased by 621 million baht, mainly from the increasing of accumulated depreciation according to the useful life of assets.

Financial liquidity and capital adequacy

As of 31 December 2019, the company had cash and cash equivalents of 962 million baht, increased by 365 million baht from 31 December 2018 due to the following activities;

-Net cash received from operating activities in the amount of 2,396 million baht, received from operating profits before changing in operating assets and liabilities 2,843 million baht, and the increase of working capital due to significant changes in operating assets and liabilities such as films under production, contract liabilities, trade account and other receivable total amount increased by 23 million baht, paid for interest of 99 million baht and income tax 325 million baht.

-Net cash used in investing activities in the amount of 946 million baht, mainly due to investment in property, plant and equipment for branches expansion and renovation of existing branches to be modern in 2019 and in the following year of 782 million baht. The payment for film rights and computer software in the amount of 63 million baht ,the net of investment in associates and joint ventures increased by 272 million baht and Dividends received from subsidiaries, associates and joint ventures in the amount of 165 million baht.

-Net cash used in financing activities in the amount of 1,084 million baht, which are net loan repayment to financial institutions in the amount of 5,258 million baht,

received from loans, promissory notes and bills of exchange of 5,377 million baht and dividend payment of 1,208 million baht.

Liquidity Ratio

As of 31 December 2019, the company has current assets in the amount of 2,420 million baht and current liabilities of 5,000 million baht. After calculating, the liquidity ratio is 0.48 times equal to the previous year and the quick ratio is 0.40 times, increasing from the previous year which was 0.38 times. Anyway, the company has sufficient source of short-term funds to maintain liquidity in the form of overdraft and short-term bill.

Capital Structure

In 2019, the company mainly procured funds for business expansion from short-term loans from financial institutions. As of 31 December 2019, the company has total liabilities of 7,399 million baht with the total debt to equity ratio of 1.15 times, slightly increased from the previous year at the rate of 1.14 times. According to the *regulations regarding the rights and obligations for issuing debentures* assigns the company to maintain interest bearing financial debt-to-equity ratio not more than 1.5 times, in which the company still has strong financial status and still be able to maintain the ratio to be lower than the loan conditions. In 2019, the company has financial liabilities in the amount of 4,037 million baht, with the net interest bearing debt-to-equity ratio between 2017-2019 respectively as follows: 11.56 times, 15.53 times and 16.05 times

Shareholders' Equity

As of 31 December 2019, shareholders equity amounted to 6,607 million baht, divided into shareholders' equity of the parent company of 6,456 million baht and non-controlling interests of 151 million baht, a total decrease of 26 million baht or 0.4% compared to the

consolidated financial statements for 2018 ended 31 December 2018, in which the company has shareholders' equity of 6,632 million baht, mainly due to the unappropriated retained earnings decreased by 41 million baht, consists of operating profit 1,170 million baht and dividends 1,208 million baht.

Capital Expenditure

In 2019, the company has net capital expenditure 946 million baht with the objective to buy assets for constructing new cinemas, renovating existing branches to be more modern and increasing investment in associates and joint ventures, since the associates company are strong business with continuous growth rate, as well as investing in the joint ventures in Thai film production to be in line with the company's expansion to provinces. In addition, this is to promote and support Thai film industry for better progress. The source of funds come from cash from operations and funds from financial institutions.

Funding ability and the ability to repay

At present, the company acquires short-term and long-term funding sources from loans of financial institutions which has been ranking by TRIS rating annually and per issuing of debt securities with the loan covenant not over 1.5 times of the debt to equity ratio. In 2019, the TRIS rating assigned the company's credit rating to "A" (Single a Straight) with stable trend reflecting the ability to repay interest and principal at good level.

Liabilities

The total liabilities of the company as of 31 December 2019 is 7,399 million baht, consisting of current liabilities of 5,000 million baht and non-current liabilities of 2,399 million baht. The company's total liabilities decreased by 43 million baht or 1% compared to the consolidated financial statements of 2018, ended 31 December 2018.

The decrease in value is the result of the following significant changes;

-Trade account payable and other payables decreased by 163 million baht, mainly due to payment of account payables for the purchase of assets from constructing cinemas at Icon Siam branch in 2018.

-Loans from financial institutions net increased by 112 million baht.

Factors or events that may affect financial status or future operations

From the effects of the economic slowdown and fluctuation, the company has prepared an annual plan and monitors the results of management on a monthly basis. Therefore, the company is able to change or set plans to support in case of events that may occur immediately. As well as the preparation of a risk management plan which established an acceptable level of risk while also focusing on the provision of new interesting contents to meet of customer needs, modernizing cinemas and products to be higher quality in both style and price, controlling cost and expense management effectively to be able to gain more initial profits and in order to provide service accessibility to customers covering more areas. In 2020, the company has projects to expand branches and increase the number of cinemas in Bangkok, vicinity and abroad in total number of 20-40 cinemas.

1. Mark Four Plaza Branch, Phrae invest 3 cinema screens.

2. Lotus Hat Yai Branch, Songkla invest 2 cinema

screens.

3. Lotus Phayao Branch, Phayao invest 2 cinema screens.

4. Lotus Minburi Branch, Bangkok invest 3 cinema screens.

5. Lotus Kantarak Branch, Sisakate invest 2 cinema screens

6. Lotus Nikombangkadi Branch, Pathumthani invest 2 cinema screens.

7. Lotus Samutprakarn Branch, Samutprakarn invest 2 cinema screens.

8. Lotus Sadao Branch, Songkla invest 2 cinema screens.

9. Big C Mahachai Branch, Samutsakorn invest 1 cinema screens.

10. Robinson Rajapruk Branch, Nonthaburi invest 5 cinema screens.

11. Big C Yala Branch, Yala invest 1 cinema screens.

12. Big C Bo Win Branch, Chonburi invest 3 cinema screens.

13. Big C Pranburi Branch, Prachuap Khiri Khan invest 2 cinema screens.

(Remark : branches may change as appropriate)

The investment in all projects and to renovate existing branches to be more satisfied to customers is expected to be approximately 600 million baht by using loans from financial institutions and/or using money received from the issuance and offering of debentures and/or cash flow from operations.

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT

31 DECEMBER 2019

Independent Auditor's Report

To the Shareholders and the Board of Directors of Major Cineplex Group Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Major Cineplex Group 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 2019, and the consolidated and separate financial performance, and consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate income statement for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the 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 determined one key audit matter: Goodwill impairment assessment. 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 matters.

Key audit matter	How my audit addressed the key audit matter
<p>Goodwill impairment assessment</p> <p>Refer to note 15 Goodwill.</p> <p>As at 31 December 2019, the Group's goodwill is recognised in three Cash Generating Units (CGUs) being, Cinema business (Baht 17.17 million), Rental and Service business (Baht 22.79 million) and Movie Content business (Baht 57.97 million).</p> <p>Management is required to test goodwill for impairment at least annually under Thai Accounting Standard 36, Impairment of assets (TAS 36). Management assessed the value-in-use (VIU) of goodwill and concluded that the carrying amount of goodwill after provision for impairment was appropriately stated. In assessing the VIU of goodwill of Movie Content business, management engaged an independent specialist to perform the assessment.</p> <p>I focused on the goodwill impairment assessment because of the size of the goodwill balance, and because the management's assessment of the VIU of goodwill involves significant judgements about future results of the business and the discount rates applied to future cashflows forecasts. Small subjective changes in the assumptions can have a material impact on the recoverable amount and any resultant impairment charge.</p>	<p>I evaluated management's cashflows forecasts for each CGU, including verifying the mathematical accuracy of the underlying calculations. I also compared the forecasts to the latest Board approved budgets. I found that the forecasts used in the VIU calculations were consistent with the Board approved budgets, and that the key assumptions, which are growth rate and discount rate, were oversighted by the directors.</p> <p>For Movie Content business, I reviewed and challenged the forecast prepared by the management's specialist whether it was optimistic considering the market situation and trends of movie business.</p> <p>I also tested these significant assumptions:</p> <ol style="list-style-type: none"> 1. the growth rate used in the forecasts by comparing them to historical results, economic situation and industry forecasts; and 2. the discount rate applied in the model by assessing cost of capital of the Group and comparing it to market data and industry research. <p>I found the key assumptions used in relation to the VIU calculations to be reasonable and appropriate.</p>

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
Bangkok
18 February 2020

Major Cineplex Group Public Limited
Statement of Financial Position
As at 31 December 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	961,742,096	596,315,184	715,064,915	390,590,766
Trade accounts and other receivables	8	1,054,935,388	1,161,281,382	585,477,277	1,204,345,331
Short-term loans to related parties	37	463,000	1,304,000	239,714,396	289,276,725
Inventories	9	121,393,978	128,739,103	73,107,179	84,149,350
Films under production		117,417,458	192,191,178	-	-
Current portion of prepaid rents	18	48,731,139	48,407,379	23,877,149	23,553,389
Other current assets	10	115,557,487	121,241,529	37,780,292	40,108,809
Total current assets		2,420,240,546	2,249,479,755	1,675,021,208	2,032,024,370
Non-current assets					
Finance lease receivables		10,417,760	10,973,930	-	-
Investment in subsidiaries	11	-	-	3,534,828,770	3,526,824,770
Investment in associates	12	3,817,685,862	3,375,388,805	3,347,707,431	3,099,847,264
Interests in joint ventures	13	67,394,947	75,176,404	-	-
Long-term loans to related parties	37	3,201,603	1,801,603	227,984,900	271,584,900
Property, plant and equipment	14	6,620,301,600	7,241,647,000	4,308,548,487	4,560,161,309
Goodwill	15	97,930,716	152,930,716	-	-
Intangible assets	16	137,367,243	122,236,134	78,995,901	50,222,754
Deferred income tax assets	17	90,176,759	77,463,585	42,366,730	49,915,515
Long-term prepaid rents	18	548,046,489	579,054,153	363,157,552	369,311,227
Other non-current assets	19	192,985,459	188,061,805	143,403,061	146,747,748
Total non-current assets		11,585,508,438	11,824,734,135	12,046,992,832	12,074,615,487
Total assets		14,005,748,984	14,074,213,890	13,722,014,040	14,106,639,857

The accompanying notes are an integral part of these consolidated and separate financial statements.

Major Cineplex Group Public Limited
Statement of Financial Position
As at 31 December 2019

		Unit: Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2019	2018	2019	2018
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	21	2,118,578,162	1,418,172,442	2,096,302,035	1,398,179,689
Trade accounts and other payables	20	1,744,687,540	2,059,744,621	1,247,391,241	1,532,868,000
Contract liabilities	29	545,327,921	392,922,428	435,376,465	338,727,500
Current portion of long-term borrowings	21	383,141,527	588,116,355	383,105,982	588,006,493
Short-term loans from related parties	37	12,800,000	14,500,000	967,425,066	1,411,026,429
Accrued income tax		79,539,863	95,316,900	9,489,503	46,879,805
Other current liabilities	22	116,034,933	101,978,503	53,985,159	51,415,638
Total current liabilities		5,000,109,946	4,670,751,249	5,193,075,451	5,367,103,554
Non-current liabilities					
Long-term borrowings from financial institutions	21	1,522,343,634	1,905,519,289	1,521,014,184	1,904,120,166
Deferred income tax liabilities	17	217,620,742	215,563,528	-	-
Employee benefit obligations	23	77,394,360	61,376,737	54,457,229	41,977,548
Contract liabilities	29	20,667,803	27,435,096	-	-
Other non-current liabilities	24	560,867,911	561,085,462	269,429,816	260,122,190
Total non-current liabilities		2,398,894,450	2,770,980,112	1,844,901,229	2,206,219,904
Total liabilities		7,399,004,396	7,441,731,361	7,037,976,680	7,573,323,458

The accompanying notes are an integral part of these consolidated and separate financial statements.

Major Cineplex Group Public Limited
Statement of Financial Position
As at 31 December 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
Liabilities and equity (Cont'd)					
Equity					
Share capital	25				
Authorised share capital					
Ordinary shares, 894,667,502 shares par value of Baht 1 each					
(2018 : Ordinary shares 896,266,347 shares par value of Baht 1 each)		894,667,502	896,266,347	894,667,502	896,266,347
Issued and fully paid-up share capital					
Ordinary shares, 894,667,502 shares paid-up of Baht 1 each	25	894,667,502	894,667,502	894,667,502	894,667,502
Share premium	25	4,055,609,113	4,055,609,113	4,055,609,113	4,055,609,113
Share premium - treasury share	25	288,424,625	288,424,625	288,424,625	288,424,625
Warrants		4,537,662	4,537,662	-	-
Retained earnings					
Appropriated - legal reserve	27	90,600,000	90,600,000	90,600,000	90,600,000
Unappropriated		1,516,455,747	1,557,471,983	1,354,736,120	1,204,015,159
Other components of equity		(394,660,605)	(381,362,198)	-	-
Equity attributable to owners of the parent		6,455,634,044	6,509,948,687	6,684,037,360	6,533,316,399
Non-controlling interests	28	151,110,544	122,533,842	-	-
Total equity		6,606,744,588	6,632,482,529	6,684,037,360	6,533,316,399
Total liabilities and equity		14,005,748,984	14,074,213,890	13,722,014,040	14,106,639,857

The accompanying notes are an integral part of these consolidated and separate financial statements.

Major Cineplex Group Public Limited
Statement of Financial Position
As at 31 December 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
Revenues					
Services income		8,276,935,407	7,779,143,941	5,044,637,395	4,812,420,633
Sales		2,420,165,966	2,173,214,706	1,590,399,880	1,480,718,343
Total revenues		10,697,101,373	9,952,358,647	6,635,037,275	6,293,138,976
Costs					
Cost of providing services		(6,014,057,657)	(5,671,558,493)	(3,882,271,207)	(3,654,178,139)
Cost of sales		(992,385,272)	(827,937,813)	(528,572,134)	(480,248,578)
Total costs		(7,006,442,929)	(6,499,496,306)	(4,410,843,341)	(4,134,426,717)
Gross profit		3,690,658,444	3,452,862,341	2,224,193,934	2,158,712,259
Other operating income	30	150,174,494	456,594,777	1,054,864,221	1,542,979,541
Selling expenses		(542,366,533)	(571,354,626)	(347,163,355)	(364,990,468)
Administrative expenses		(2,018,422,984)	(1,919,855,418)	(1,307,446,546)	(1,276,161,144)
Finance costs	32	(98,078,890)	(108,190,202)	(146,500,438)	(155,053,101)
Share of profit of investments in associates and joint ventures	12	293,939,263	262,341,211	-	-
Profit before income tax		1,475,903,794	1,572,398,083	1,477,947,816	1,905,487,087
Income tax	33	(278,354,462)	(273,108,258)	(117,295,319)	(176,222,265)
Profit for the year		1,197,549,332	1,299,289,825	1,360,652,497	1,729,264,822
Profit attributable to:					
Owners of the parent		1,170,028,054	1,283,589,820	1,360,652,497	1,729,264,822
Non-controlling interests	28	27,521,278	15,700,005	-	-
		1,197,549,332	1,299,289,825	1,360,652,497	1,729,264,822
Earnings per share					
	34				
Basic earnings per share		1.31	1.43	1.52	1.93
Diluted earnings per share		1.31	1.43	1.52	1.93

The accompanying notes are an integral part of these consolidated and separate financial statements.

Major Cineplex Group Public Limited
Statement of Financial Position
As at 31 December 2019

		Unit: Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2019	2018	2019	2018
	Profit for the year	1,197,549,332	1,299,289,825	1,360,652,497	1,729,264,822
	Other comprehensive income (expense):				
	Items that will not be reclassified				
	subsequently to profit or loss				
	Remeasurements of employee				
	benefit obligations	(3,980,389)	(5,319,107)	(2,667,822)	(6,145,766)
	Share of comprehensive loss of				
	associates and joint ventures				
	according to equity method	(62,932)	(104,693)	-	-
	Income tax relating to the above items	796,078	1,076,420	533,564	1,229,153
		(3,247,243)	(4,347,380)	(2,134,258)	(4,916,613)
	Items that will be reclassified subsequently				
	to profit or loss				
	Remeasuring of available-for-sale				
	investments	-	(55,050,428)	-	(55,050,428)
	Currency translation differences	(22,994,886)	940,929	-	-
	Share of comprehensive income (loss) of				
	associates and joint ventures				
	according to equity method	(450,216)	82,167	-	-
	Income tax relating to the above items	-	11,004,031	-	11,010,086
		(23,445,102)	(43,023,301)	-	(44,040,342)
	Total other comprehensive income				
	for the year, net of income tax	(26,692,345)	(47,370,681)	(2,134,258)	(48,956,955)
	Total comprehensive income for the year	1,170,856,987	1,251,919,144	1,358,518,239	1,680,307,867
	Total comprehensive income				
	attributable to:				
	Owners of the parent	1,154,125,184	1,236,219,139	1,358,518,239	1,680,307,867
	Non-controlling interests	28 16,731,803	15,700,005	-	-
		1,170,856,987	1,251,919,144	1,358,518,239	1,680,307,867

The accompanying notes are an integral part of these consolidated and separate financial statements.

Major Cineplex Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2019

Consolidated financial statements											Unit: Baht
Attributable to owners of the parent											
Issued and paid-up share capital	Share premium	Share premium - Treasury share	Share premium - Warrants	Retained earnings		Change in parent's ownership interest in subsidiaries	Other components of equity			Total equity	
				Appropriated	Legal reserve		Unappropriated	Translation of financial statements	Other comprehensive income (expense)	Total other component of equity	
894,667,502	4,055,609,113	288,424,625	4,537,662	90,600,000	1,396,560,421	(349,446,941)	(11,446,425)	44,040,342	(316,853,024)	6,413,546,299	6,498,759,403
Opening balance as at 1 January 2018											
Changes in equity during the year											
Change in ownership interests in subsidiary (Note 28)	-	-	-	-	-	(21,485,873)	-	-	(21,485,873)	21,485,833	(40)
Non-controlling interests invested in subsidiary (Note 28)	-	-	-	-	-	-	-	-	-	134,900	134,900
Dividends (Note 35)	-	-	-	-	(1,118,330,878)	-	-	-	-	(1,118,330,878)	(1,118,330,878)
Total comprehensive income for the year	-	-	-	-	1,279,242,440	-	1,017,041	(44,040,342)	(43,023,301)	1,236,219,139	1,251,919,144
Closing balance as at 31 December 2018											
894,667,502	4,055,609,113	288,424,625	4,537,662	90,600,000	1,557,471,983	(370,932,814)	(10,429,384)	-	(381,362,198)	6,509,948,687	6,632,482,529
Opening balance as at 1 January 2019											
Changes in equity during the year											
Change in ownership interests in subsidiary (Note 28)	-	-	-	-	-	(642,549)	-	-	(642,549)	(155,101)	(797,650)
Non-controlling interests invested in subsidiary (Note 28)	-	-	-	-	-	-	-	-	-	12,000,000	12,000,000
Dividends (Note 35)	-	-	-	-	(1,207,797,278)	-	-	-	-	(1,207,797,278)	(1,207,797,278)
Total comprehensive income for the year	-	-	-	-	1,166,781,042	-	(12,655,858)	-	(12,655,858)	1,154,125,184	1,170,856,987
Closing balance as at 31 December 2019											
894,667,502	4,055,609,113	288,424,625	4,537,662	90,600,000	1,516,455,747	(371,575,363)	(23,085,242)	-	(394,660,605)	6,455,634,044	6,606,744,588

The accompanying notes are an integral part of these consolidated and separate financial statements.

	Separate financial statements							Unit: Baht
					Other components of equity			
					Retained earnings		Other comprehensive income (expense)	
	Issued and paid-up share capital	Share premium	Share premium-Treasury share	Appropriated	Legal reserve	Unappropriated	Available-for-sale investment	
Opening balance as at 1 January 2018	894,667,502	4,055,609,113	288,424,625	90,600,000	597,997,828	44,040,342	44,040,342	5,971,339,410
Changes in equity during the year								
Dividends (Note 35)	-	-	-	-	(1,118,330,878)	-	-	(1,118,330,878)
Total comprehensive income for the year	-	-	-	-	1,724,348,209	(44,040,342)	(44,040,342)	1,680,307,867
Closing balance as at 31 December 2018	894,667,502	4,055,609,113	288,424,625	90,600,000	1,204,015,159	-	-	6,533,316,399
Opening balance as at 1 January 2019	894,667,502	4,055,609,113	288,424,625	90,600,000	1,204,015,159	-	-	6,533,316,399
Changes in equity during the year								
Dividends (Note 35)	-	-	-	-	(1,207,797,278)	-	-	(1,207,797,278)
Total comprehensive income for the year	-	-	-	-	1,358,518,239	-	-	1,358,518,239
Closing balance as at 31 December 2019	894,667,502	4,055,609,113	288,424,625	90,600,000	1,354,736,120	-	-	6,684,037,360

The accompanying notes are an integral part of these consolidated and separate financial statements.

Major Cineplex Group Public Limited
Statement of Financial Position
As at 31 December 2019

		Unit: Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2019	2018	2019	2018
Cash flows from operating activities					
Cash generated from operations	36	2,820,123,421	3,086,024,235	1,679,960,093	1,752,375,941
Interest paid		(99,314,355)	(111,010,963)	(161,781,098)	(154,893,165)
Income tax paid		(325,240,637)	(289,122,342)	(146,603,271)	(148,449,012)
Net cash generated from operating activities		2,395,568,429	2,685,890,930	1,371,575,724	1,449,033,764
Cash flows from investing activities					
Short-term loans made to related parties	37	(963,000)	(10,804,000)	(418,287,161)	(597,170,673)
Receipt from repayment of short-term loans to related parties	37	1,804,000	14,500,000	467,849,490	702,495,016
Long-term loans made to related parties	37	(1,900,000)	-	(1,900,000)	-
Receipt from repayment of long-term loans to related parties	37	500,000	25,000	45,500,000	25,000
Payment for investment in subsidiary		-	(40)	(18,000,000)	(164,990)
Proceeds from disposals of investment in subsidiary, net with cash in subsidiary		1,061,142	-	-	-
Proceeds from capital reduction in subsidiary		-	-	9,996,000	50,379,840
Payments for investment in associates	12	(362,904,765)	(619,016,390)	(305,427,465)	(608,516,390)
Proceeds from disposals of investment in associates	12	83,777,100	589,578,677	83,777,100	589,578,677
Proceeds from return of investment in associate	12	7,350,000	-	-	-
Payment for interests in joint venture	13	(1,304,000)	(43,999,980)	-	-
Proceeds from disposal of available-for sale investment		-	123,281,327	-	123,281,327
Purchases of property, plant and equipment		(792,237,230)	(948,402,832)	(638,377,877)	(682,193,603)
Proceeds from disposals of property, plant and equipment		10,505,424	1,409,227	2,449,445	292,803
Purchases of intangible assets	16	(63,440,419)	(69,132,881)	(48,818,359)	(30,727,251)
Dividends received from subsidiaries, associates and joint ventures		164,551,123	224,448,632	1,288,982,779	652,115,092
Interest received		6,703,495	5,422,015	24,559,607	27,991,923
Net cash (used in) received from investing activities		(946,497,130)	(732,691,245)	492,303,559	227,386,771

The accompanying notes are an integral part of these consolidated and separate financial statements.

Major Cineplex Group Public Limited
Statement of Financial Position
As at 31 December 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
Cash flows from financing activities					
Proceeds from short-term loans from related parties	37	-	-	3,105,688,132	2,932,453,184
Repayments to short-term loans from related parties	37	(1,700,000)	(1,400,000)	(3,549,289,495)	(2,784,202,497)
Repayment to bank overdrafts		(4,716,627)	4,992,753	-	-
Proceeds from short-term loans from financial institutions	21	5,377,000,000	4,005,000,000	5,200,000,000	3,730,000,000
Repayments to short-term loans from financial institutions	21	(4,670,000,000)	(4,050,000,000)	(4,500,000,000)	(3,730,000,000)
Repayments to finance lease liabilities	21	(150,482)	(182,311,012)	(6,493)	(6,012)
Repayments long-term borrowings	21	(588,000,000)	(588,000,000)	(588,000,000)	(588,000,000)
Non-controlling interests invested in subsidiary	11	12,000,000	134,900	-	-
Dividends paid to shareholders	35	(1,208,077,278)	(1,118,330,878)	(1,207,797,278)	(1,118,330,878)
Net cash used in financing activities		(1,083,644,387)	(1,929,914,237)	(1,539,405,134)	(1,558,086,203)
Net increase in cash and cash equivalents		365,426,912	23,285,448	324,474,149	118,334,332
Opening balance of cash and cash equivalents		596,315,184	573,029,736	390,590,766	272,256,434
Closing balance of cash and cash equivalents		<u>961,742,096</u>	<u>596,315,184</u>	<u>715,064,915</u>	<u>390,590,766</u>

Non-cash transactions

Significant non-cash transactions are as follows:

Purchases of equipment, not yet paid	-	233,153,480	-	245,023,541
Receivable from disposals of equipment	4,673	270,813	288,127	26,501,646
Dividends receivable	-	-	-	399,720,000
Receivable from disposal of investment in associate	290,000	-	290,000	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

1 General information

Major Cineplex Group Public Company Limited ("the Company") is a public company incorporated and resident in Thailand. The address of the Company's registered office is as follows:

1839, 1839/1-6 Phaholyothin road, Ladyao, Jatujak, Bangkok 10900.

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 principally engages in cinema operations and entertainment services. The principal business operations of the Group are summarised as follows:

- Cinema operations;
- Advertising and media services;
- Bowling and karaoke services;
- Rental and services; and
- Movie content

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 18 February 2020.

2 Accounting policies

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

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued 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.

Reclassifications on statement of cash flows

Purchases of intangible assets in part of transfer in from films under production has been reclassified from investing activities to change in working capital of films under production in cash flows in operating activities.

The impacts on the statement of cash flows for the year ended 31 December 2018 are as follows:

	Previously presented Baht	Reclassifications Baht	As restated Baht
Statement of cash flows for the year ended 31 December 2018			
Cash flows from investing activities:			
Purchases of intangible assets	(149,912,979)	80,780,098	(69,132,881)
Cash flows from operating activities:			
Change in working capital of films under production	(21,871,722)	(80,780,098)	(102,651,820)

2 Accounting policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 18, Revenue and TAS 11, Construction contracts.

The Group has adopted the new TFRS 15, Revenue from contracts with customers from 1 January 2019 (initial application date) by applying the modified retrospective approach and the comparative figures have not been restated. The Group applies practical expedient relates to completed contracts and contract modifications as allowed by TFRS 15.

Accounting for customer loyalty programme

In previous reporting periods, the consideration received from the sale of goods was allocated to points and the goods sold using the reverse residual method. Under this method, the fair value of the points was allocated to the points and the residual part of the consideration was allocated to the goods sold.

Under TFRS 15, the total consideration must be allocated to the points and goods based on the relative stand-alone selling prices. Using this new method, the amounts allocated to the goods sold are, on average, higher than the amounts allocated under the reverse residual value method.

Nonetheless, the contractual liability recognised in relation to the customer loyalty programme as at 1 January 2019 was not significantly affected from the adoption of the new accounting standard. However, reclassification in the statement of financial position has been made.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of TFRS 15.

Consolidated financial information			
	As at 31 December 2018		As at 1 January 2019
	Previously reported Baht	Reclassifications Baht	Restated Baht
Trade accounts and other payables	2,452,667,049	(392,922,428)	2,059,744,621
Contract liabilities	-	420,357,524	420,357,524
Other current liabilities	588,520,558	(27,435,096)	561,085,462
Separate financial information			
	As at 31 December 2018		As at 1 January 2019
	Previously reported Baht	Reclassifications Baht	Restated Baht
Trade accounts and other payables	1,871,595,500	(338,727,500)	1,532,868,000
Contract liabilities	-	338,727,500	338,727,500

The reclassifications made upon adoption of TFRS 15 mainly concern the following items.

- The deferred revenue presented under trade accounts and other payables is recognised as contract liabilities under TFRS 15.
- The deferred revenue presented under other non-current liabilities is recognised as contract liabilities under TFRS 15.

2 Accounting policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group (Cont'd)

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019 (Cont'd)

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers (Cont'd)

The following tables show the amounts of affected line items in the current year from the adoption of TFRS 15 compared to the previous revenue recognition standards.

	Consolidated financial information		
	Amounts as reported Baht	Impacts from TFRS 15 Baht	Amounts under the previous revenue standards Baht
Statement of financial position			
As at 31 December 2019			
Trade accounts and other payables	1,744,687,540	545,327,921	2,290,015,461
Contract liabilities	565,995,724	(565,995,724)	-
Other current liabilities	560,867,911	20,667,803	581,535,714

	Separate financial information		
	Amounts as reported Baht	Impacts from TFRS 15 Baht	Amounts under the previous revenue standards Baht
Statement of financial position			
As at 31 December 2019			
Trade accounts and other payables	1,247,391,241	435,376,465	1,682,767,706
Contract liabilities	435,376,465	(435,376,465)	-

b) Thai Financial Reporting Standard no.2 (TFRS 2) (revised 2018), *Share-based payment*

The amendments made to TFRS 2 clarify:

- the measurement basis for cash-settled share-based payments; and
- the accounting for modifications that change an award from cash-settled to equity-settled.

They also introduce an exception to the classification principles in TFRS 2. Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole amount will be treated as if it is equity-settled. Previously the tax portion was accounted for as cash-settled.

c) Thai Accounting Standard no.28 (revised 2018), *Investments in associates and joint ventures*

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

d) Thai Financial Reporting Interpretation no.22 (TFRIC 22), *Foreign currency transactions and advance consideration*

TFRIC 22 clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

2 Accounting policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group (Cont'd)

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group.

a) Financial instruments

The new financial standards relate to financial instruments are:

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

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

The Group currently assesses the impact from the first-time adoption of the above set of standards related to financial instruments

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

The Group currently assesses the impact from the first-time adoption of TFRS16

c) Other new/amended standards

The new and amended financial reporting standards that will have significant impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRS 3	Business combinations
TFRS 11	Joint arrangements
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

2 Accounting policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group (Cont'd)

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)

c) Other new/amended standards (Cont'd)

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to TFRS 11, Joint arrangements - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

2.3 Principles of consolidation and equity accounting

a) 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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in associates are accounted for using cost method.

c) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Group's financial statement line items.

Joint ventures

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

In the separate financial statements, investments in joint ventures are accounted for using cost method.

2 Accounting policies (Cont'd)

2.3 Principles of consolidation and equity accounting (Cont'd)

d) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

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

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

f) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired 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 initially 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.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses.

2 Accounting policies (Cont'd)

2.4 Business combination (Cont'd)

Step-up acquisition

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-measured are recognised in profit or loss.

Contingent consideration paid/received

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 an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

The difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed of (transferred to retained earnings).

2.5 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from foreign currency transactions of monetary assets and liabilities are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

2 Accounting policies (Cont'd)

2.6 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call financial institution, short-term highly liquid investments with maturities of three months or less from acquisition date.

In the statements of financial position, bank overdrafts are shown in current liabilities.

2.7 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

2.8 Inventories and films under production

Inventories consist of foods and beverages, cinema supplies, and VCD and DVD.

Inventories are stated at the lower of cost or net realisable value. Costs of foods and beverages and cinema supplies are determined by the first-in, first-out (FIFO) method. Costs of VCD and DVD are determined using weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory less all related discounts.

Films under production are costs of films under production which will be recognised as cost of films upon the sale or release of the films, basing on the future consumption used in various channels. Costs of films comprise costs directly attributable to films production and are stated at cost.

2.9 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. Capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building	20 years
Cinema and cinema improvement	10, 20, 25 years or lease contracts periods
Utility system	5, 10, 15, 25 years or lease contracts periods
Tool equipment and fixture	5, 7, 10, 15, 20 years
Office equipment	3, 5 years
Vehicle	5 years

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2 Accounting policies (Cont'd)

2.10 Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

2.11 Other intangible assets

Film rights

Film rights are capitalised at the purchase price including costs directly attributable to the acquisition of rights. Film rights are amortised and charged to direct costs of exhibition, VCD and DVD and TV broadcasting at the ratio relating to the expected consumption used in various channels over the lifetime of rights generally between 2 - 10 years. In the event that an ultimate loss is projected for each right, an amount equivalent to this loss will be written-off in the income statement immediately.

Computer Software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives not over than 5 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

2.12 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. 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 of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

2.13 Leases

Leases - where the Group is the lessee

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.

At the inception of lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2 Accounting policies (Cont'd)

2.14 Borrowings

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that necessarily take a substantial period of time to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

2.16 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.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 Accounting policies (Cont'd)

2.17 Employee benefits

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

a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Defined contribution

The Group pays contributions to a separate fund on a contractual basis. 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.

c) Retirement benefits

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary 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 matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

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

d) Other long-term benefits

The Group gives money rewards to employees when they have worked for the Group for 10 years.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

2.18 Share-based payment

The Group receives services from employees as consideration for equity instruments (options) of the Group companies. The fair value of the options is recognised as an expense over the vesting period, with a corresponding increase in equity. The fair value of the options is determined by:

- including any market performance conditions (e.g. the entity's share price);
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time); and
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest.

At the end of each reporting period, the Group reviews the number of options that are expected to vest. It recognises the impact of the revision, if any, in profit or loss with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

The option granted by the Company to the employees of subsidiary(ies) is treated as a capital contribution.

2 Accounting policies (Cont'd)

2.19 Provisions

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 measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.20 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

Treasury share

Where any companies within the Group repurchases its shares, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

2.21 Revenue recognition

Revenues of the Group consist principally admissions, bowling and karaoke services, rental and services, advertising services and sponsorship, film rights distribution, sales of VCD/DVD and concession sales.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Revenue from Admission: The Group recognised revenue over the period of film projection. The Group has the right to receive payment immediately after the customer went into the theatre.

Revenue from Bowling and karaoke: The Group recognised revenue over the period of service rendering. The Group has the right to receive payment immediately after the service is rendered.

Revenue from Rental and service: The Group recognised revenue on a straight-line basis over the contract term, regardless of the payment pattern.

Revenue from Advertising services and sponsorship: The Group recognised revenue in the accounting period in which the services are rendered. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from film production and sales of film rights distribution: Revenue from sales of film right and film production is recorded for as a right to use its intellectual property. Revenue is recognised at a point in time with the exception on the recognition of sales-based royalties which revenue is recognised when the subsequent sales occurred.

2 Accounting policies (Cont'd)

2.21 Revenue recognition (Cont'd)

Revenue from sales of VCDs and DVDs: Revenue from sales of goods and rights is recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales of food and beverages: The Group recognises revenue when food and beverages are delivered to customers. The Group has the right to receive payments as soon as the food and beverages are delivered.

Sale of goods - customer loyalty programme

The Group provides special privilege programs for M-Generation cardholders as part of a sales or service program. Customers will receive reward points in order to exercise their rights in the future to receive products or services without having to pay for considerations under the conditions specified on the card. M-Generation liabilities arising from contracts for reward points which were recognised at the point of sale and income will be recognised when the customers redeem the points or when the points expire, which is 12 months after the first top-up of the card.

Incremental costs of obtaining a contract

The Group capitalises incremental costs of obtaining a contract which are mainly sales commission payable to third parties and to employees and amortised to selling expenses in the same pattern of related revenue recognition.

Contract liabilities

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation.

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders, and interim dividend are approved by the Board of Directors.

3 Financial risk management

The Group exposes to a variety of financial risks: market risk (currency risk, fair value risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The board of directors provides written principles for overall risk management which is carried out by a central treasury department (the Group treasury), including identification, evaluation and hedge of financial risks in close co-operation with operating units.

a) Foreign exchange risk

The Group has no significant exposure to foreign currency risk relates due to its accounts receivable and accounts payable are mainly made in Thai Baht. The Group has foreign exchange transaction from purchase of film rights mainly dominated in various currencies, primarily with respect to USD. The Group does not use any derivative financial instruments to hedge foreign currency exposure.

3 Financial risk management (Cont'd)

b) 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 fixed. The Group does not use the interest rate derivative to manage exposure from fluctuation in interest rate on specific borrowing.

c) 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.

d) 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.

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.

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

4.1) Estimated impairment of goodwill

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget approved by management covering a two-year period.

Cash flows beyond the two-year period are extrapolated using the estimated growth rates stated in note 15. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

4.2) Impairment of property, plant and equipment

The Group tests whether property, plant and equipment have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with its accounting policy in Note 2.12. The recoverable amounts of cash-generating units have been determined based on the higher of an asset's fair value less costs to sell and value in use. These calculations require the use of estimates. The change in the assumption used would impact the recoverable amount.

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

4.4) Allowance for obsolete, slow-moving and defective inventories

The Group has made allowance, where necessary, for obsolete, slow moving and defective inventories by estimating the net realisable value was calculated from the selling price in the ordinary course of business, less the cost of completion and selling expenses. Furthermore, the calculation of the net realisable estimation was based on historical experience, management's knowledge of the industry and future market trends.

4.5) Impairment of movies under production

The cost of movies under production is recognised when incurred. When there is an indicator, the Group tests impairment on a title by title basis, and if the estimated remaining net cash flows are not sufficient to recover each title cost, the impairment will be recognised. The estimation of net cash flow is calculated and estimated by the management.

4.6) Amortisation of film rights

Film rights are amortised and recognised to cost of sales of film rights at the ratio relating to the expected consumption used in each of the various channels over the estimated period to utilise the rights. The expected consumption in each channel used for computing the amortisation ratio is estimated by the management, based on historical information and experience.

4.7) Provision for goods returns

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

4.8) Retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 23.

4.9) Transaction price allocation

The customer loyalty programme provides a material right to customers. The promise to provide points to the customer is a separate performance obligation. Therefore, the transaction price is allocated to the original product sold and the points on a relative stand-alone selling price basis. Management estimates stand-alone selling price per point on the basis of the discount granted when the points are redeemed and the likelihood of the redemption, based on past experience.

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

The Group's strategic steering committee, consisting of the chief executive officer and board of directors, examines the Group's performance from 5 reportable segments.

The steering committee primarily uses a measure of segments' revenue and gross margin to assess the performance of the operating segments.

Major Cineplex Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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6 Segment information (Cont'd)

Significant information relating to revenue and profit of the reportable segments are as follows:

	Consolidated financial information					Unit: Million Baht
	Cinema business	Advertising business	Bowling and karaoke business	Rental and services business	Movie content business	
For the year ended 31 December 2019						
Revenues						
- Gross segment revenues	8,674	1,185	516	526	455	11,356
- Inter segment revenues	(392)	-	(48)	(94)	(125)	(659)
Net revenues	8,282	1,185	468	432	330	10,697
Timing of revenue recognition						
At a point in time	2,235	320	148	-	195	2,898
Over time	6,047	865	320	432	135	7,799
Total revenues	8,282	1,185	468	432	330	10,697
Segment results	887	742	(44)	(18)	(70)	1,497
Profit from disposal of investment in associates						32
Non-allocated expenses						(249)
Profit from operating activities						1,280
Finance cost						(98)
Share of profit from investments in associates and joint ventures						294
Profit before income tax						1,476
Income tax						(278)
Net profit						1,198
Fixed assets of segment						6,620
Investments in associates and interests in joint ventures	5,529	19	344	724	4	3,885
Unallocated asset						3,510
Total						14,015

Major Cineplex Group Public Company Limited
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6 Segment information (Cont'd)

Significant information relating to revenue and profit of the reportable segments are as follows: (Cont'd)

	Consolidated financial information					Unit: Million Baht
	Cinema business	Advertising business	Bowling and karaoke business	Rental and services business	Movie content business	
For the year ended 31 December 2018						
Revenues						
- Gross segment revenues	8,433	948	534	517	333	10,765
- Inter segment revenues	(563)	-	(54)	(93)	(103)	(813)
	<u>7,870</u>	<u>948</u>	<u>480</u>	<u>424</u>	<u>230</u>	<u>9,952</u>
Net revenues						
	<u>7,870</u>	<u>948</u>	<u>480</u>	<u>424</u>	<u>230</u>	<u>9,952</u>
Timing of revenue recognition						
At a point in time	2,124	163	153	-	81	2,521
Over time	5,746	785	327	424	149	7,431
	<u>7,870</u>	<u>948</u>	<u>480</u>	<u>424</u>	<u>230</u>	<u>9,952</u>
Total revenues						
	<u>754</u>	<u>630</u>	<u>(5)</u>	<u>(21)</u>	<u>(78)</u>	<u>1,280</u>
Segment results						
Compensation income						2
Gain on disposal of investment						329
Unallocated expense						(193)
Operating profit						1,418
Finance cost						(108)
Share of profit from investments in associates and joint ventures						262
Profit before income tax						1,572
Income tax						(273)
Net profit						1,299
Fixed assets of segment						
Investments in associates and interests in joint ventures		19	472	811	5	7,242
Unallocated asset	5,935					3,451
Total						3,381
						<u>14,074</u>

6 Segment information (Cont'd)

Unallocated costs represent corporate expenses. Segment assets consist of primarily property and equipment, intangible assets, inventories, receivables and operating cash and mainly exclude investments.

Liabilities are mainly borrowings purposed to be used for all segments and for the Group's liquidity. Accordingly, the Group does not present the liabilities segment information.

7 Cash and cash equivalents

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	62,068,236	65,303,959	45,856,833	49,786,766
Deposits held at call with banks	899,673,860	531,011,225	669,208,082	340,804,000
Cash and cash equivalents	<u>961,742,096</u>	<u>596,315,184</u>	<u>715,064,915</u>	<u>390,590,766</u>

8 Trade accounts and other receivables

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable - third parties	549,514,386	641,037,846	135,113,472	262,045,929
Trade accounts receivable - related parties (Note 37)	68,197,171	27,457,383	165,326,746	106,825,752
Unbilled revenue	300,409,549	347,889,064	51,288,476	39,773,808
Total	918,121,106	1,016,384,293	351,728,694	408,645,489
<u>Less</u> Allowance for doubtful accounts	<u>(918,252)</u>	<u>(7,720,250)</u>	<u>-</u>	<u>-</u>
Trade accounts receivable, net	917,202,854	1,008,664,043	351,728,694	408,645,489
Amounts due from related parties (Note 37)	28,967,016	31,333,012	196,179,414	749,958,529
Other accounts receivable	60,984,215	61,973,532	20,343,347	29,184,914
Prepaid expenses	47,781,303	59,310,795	17,225,822	16,556,399
Trade accounts and other receivables	<u>1,054,935,388</u>	<u>1,161,281,382</u>	<u>585,477,277</u>	<u>1,204,345,331</u>

Outstanding trade and other receivables as at 31 December can be analysed according to ages as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Unbilled revenue	335,742,567	365,622,118	69,335,631	47,008,547
Trade accounts receivable				
Current	271,259,019	295,262,159	86,155,220	167,729,897
Overdue less than 3 months	254,776,804	303,202,792	188,318,883	174,891,638
3 - 6 months	43,133,860	7,708,627	4,557,460	2,493,713
6 - 12 months	3,740,905	26,140,237	690,332	8,683,709
Over 12 months	9,467,951	18,448,360	2,671,168	7,837,985
Total	918,121,106	1,016,384,293	351,728,694	408,645,489
<u>Less</u> Allowance for doubtful accounts	<u>(918,252)</u>	<u>(7,720,250)</u>	<u>-</u>	<u>-</u>
Trade accounts receivable, net	<u>917,202,854</u>	<u>1,008,664,043</u>	<u>351,728,694</u>	<u>408,645,489</u>

9 Inventories

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Foods and beverages	125,846,102	129,864,088	88,395,980	91,250,754
Supplies and others	12,771,470	18,674,221	4,802,562	12,498,596
Work in process	2,884,853	-	-	-
Total	141,502,425	148,538,309	93,198,542	103,749,350
<u>Less</u> Allowance for net realizable value	(20,108,447)	(19,799,206)	(20,091,363)	(19,600,000)
Inventories, net	121,393,978	128,739,103	73,107,179	84,149,350

Cost of inventory was recognised as an expense and included in cost of sales amounting to Baht 679.78 million and Baht 528.32 million in the consolidated and separate income statements, respectively (2018: Baht 636.74 million and Baht 479.13 million).

The Group recognised loss from obsolescence and allowance for diminution in value in the consolidated and separate income statement for the year ended 31 December 2019 amounting to Baht 3.41 million and Baht 0.49 million, respectively (2018: only the consolidated income statement of Baht 13.13 million).

10 Other current assets

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Value added tax receivable	50,457,264	49,684,885	26,087,829	24,477,578
Withholding tax deducted at sources	39,550,606	32,707,582	-	-
Others	25,549,617	38,849,062	11,692,463	15,631,231
	115,557,487	121,241,529	37,780,292	40,108,809

11 Investments in subsidiaries

	Unit: Baht	
	Separate financial statements	
	2019	2018
Investment in subsidiaries	3,700,557,696	3,692,553,696
<u>Less</u> Allowance for impairment	<u>(165,728,926)</u>	<u>(165,728,926)</u>
Investment in subsidiaries, net	<u>3,534,828,770</u>	<u>3,526,824,770</u>

a) Movements of investments in subsidiaries

	Unit: Baht	
	Separate financial statements	
	2019	2018
For the years ended 31 December		
Opening net book amount	3,526,824,770	3,620,413,946
Additions	18,000,000	164,990
Proceed from capital reduction in subsidiary	(9,996,000)	(50,379,840)
Impairment of investment	-	(43,374,326)
Closing net book amount	<u>3,534,828,770</u>	<u>3,526,824,770</u>

During 2019, the Company received dividend income from subsidiaries amounting to Baht 724.71 million (2018: Baht 827.39 million), which was recognised as "Other income" in the separate income statement.

Addition of investment

2019

TAI Major Co., Ltd.

On 4 July 2019, the Company invested in 60.00% of ordinary shares for a consideration of Baht 18 million in TAI Major Co., Ltd. which will engage in the business of film production.

2018

Mtel (Thailand) Co., Ltd.

On 18 April 2018, the Company invested Baht 0.16 million for 55.00% of ordinary shares in Mtel (Thailand) Co., Ltd. which will engage in the business of development of software and applications.

Subsidiary under M Pictures Entertainment Public Company Limited

M Talent Company Limited ("M Talent")

On 28 June 2018, Talent One Company Limited registered to change its name to "M Talent Company Limited".

On 9 May 2018, M Pictures Entertainment Public Company Limited (subsidiary) acquired 39,998 shares of M Talent from non-controlling interests for a consideration of Baht 40. The acquisition resulted in change in shareholding interests of the subsidiary from 90.00% to 99.99%. The difference between consideration paid and net identifiable assets and liabilities of M Talent acquired, amounting to Baht 21,485,833 was recognised as "Change in parents' ownership interests in subsidiaries" under "Other components of equity" in the consolidated financial statements.

11 Investments in subsidiaries (Cont'd)

a) Movements of investments in subsidiaries (Cont'd)

Capital reduction

2019

Major Holding International Co., Ltd.

At the Extraordinary General Meeting 1/2019 of Major Holding International Co., Ltd. (subsidiary), the shareholders passed a resolution to approve a decrease in the registered capital from Baht 40 million (400,000 shares at the par value of Baht 100.00 each) to Baht 30 million (300,000 shares at the par value of Baht 100.00 each). The Company received cash from capital reduction totaling Baht 9.99 million. The decrease of share capital was registered with the Ministry of Commerce on 18 October 2019. This capital reduction does not affect shareholding percentage in subsidiary.

Subsidiary under EGV Entertainment Public Company Limited

EGV Exhibition Co., Ltd.

At the Annual General Meeting of EGV Exhibition Co., Ltd. (subsidiary) for 2019, the shareholders passed a resolution to approve a decrease in the registered capital from Baht 100 million (10 million shares at the par value of Baht 10.00 each) to Baht 25 million (10 million shares at the par value of Baht 2.50 each). The decrease of share capital was registered with the Ministry of Commerce on 11 April 2019. This capital reduction does not affect shareholding percentage in subsidiary.

At the Extraordinary General Meeting 2/2019 of EGV Exhibition Co., Ltd. (subsidiary), the shareholders passed a resolution to convert the original par value of Baht 2.50 each of 10 million shares to the par value of Baht 5.00 each of 5 million shares with registered capital of Baht 25 million. This conversion does not affect shareholding percentage in subsidiary.

M Pictures Entertainment Public Company Limited ("MPIC")

The Extraordinary General Meeting of Shareholders 1/2019 of MPIC approved the transfer of legal reserve of Baht 3.81 million and share premium of Baht 321.37 million to offset the deficits. The meeting also approved for par value adjustment of ordinary shares from Baht 1.00 each to Baht 0.50 each, resulting in a decrease in registered share capital from Baht 1,313.12 million to Baht 656.56 million and a decrease in paid-up share capital from Baht 1,300.12 million to Baht 650.06 million. The surplus arising from share reduction of Baht 262.22 million is to offset with the deficits. The capital decrease does not affect shareholding percentage in subsidiary.

2018

Major Holding International Co., Ltd.

On 31 May 2018, the shareholders of Major Holding International Co., Ltd. (subsidiary) approved to decrease the registered capital by reducing 1.10 million shares with the par value of Baht 100.00 each. The Company received cash from capital reduction totaling Baht 50.38 million. This capital reduction does not affect shareholding percentage in subsidiary. The decrease of share capital was registered with the Ministry of Commerce on 5 July 2018.

Disposal of investment

2019

Subsidiary under M Pictures Entertainment Public Company Limited

Metacognition Co., Ltd.

On 30 September 2019, M Pictures Entertainment PLC (subsidiary) disposed 12,000 shares representing 60.00% of paid-up share capital of Metacognitions Company Limited, subsidiary, for a consideration of Baht 1.20 million. The Group recognised gain on disposal amounting to Baht 3,526 which is presented as other income in the consolidated financial information.

11 Investments in subsidiaries (Cont'd)

a) Movements of investments in subsidiaries (Cont'd)

Disposal of investment (Cont'd)

2018

Subsidiary under M V D Co., Ltd.

On 12 October 2018, the dissolution of Pacific Media Sale Co., Ltd. was registered with the Ministry of Commerce and the liquidation was completed on 14 November 2019.

Impairment of investment

2018

M Pictures Entertainment Public Company Limited (“MPIC”)

During 2018, the impairment charge of Baht 43.37 million was provided on investment on MPIC as a result of the lower of recoverable amount than carrying value. The main factor of impairment loss recognition was from the decrease in share price as at reporting date.

Major Cineplex Group Public Company Limited
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11 Investments in subsidiaries (Cont'd)

b) The details of investments in subsidiaries are as follows:

Subsidiaries	Nature of business	Nature of relationship	Country of incorporation and place of business	Ownership interest held by Company/the Group		Ownership interest held by non-controlling interests		Investment at cost method	
				2019	2018	2019	2018	2019	2018
				%	%	%	%	%	%
Major Cineplex Property Co., Ltd.	Building space for rent	Shareholder	Thailand	99.99	99.99	0.01	0.01	77,999,300	77,999,300
Major Cineplex Services Co., Ltd.	Utilities services	Shareholder	Thailand	99.99	99.99	0.01	0.01	22,999,300	22,999,300
Ratchayothin Management Co., Ltd.	Utilities services	Shareholder	Thailand	99.99	99.99	0.01	0.01	70,950,146	70,950,146
Ratchayothin Cinema Co., Ltd.	Land and building space for rent	Shareholder	Thailand	99.99	99.99	0.01	0.01	120,854,600	120,854,600
Ratchayothin Realty Co., Ltd.	Building space for rent	Shareholder	Thailand	99.99	99.99	0.01	0.01	195,178,100	195,178,100
Major Bowl Group Co., Ltd.	Bowling, karaoke and entertainment services	Shareholder	Thailand	99.99	99.99	0.01	0.01	62,609,887	62,609,887
Major Cinead Co., Ltd.	Advertising services	Shareholder	Thailand	99.93	99.93	0.07	0.07	1,000,000	1,000,000
Bangkok Imax Theatre Co., Ltd.	Cinema services	Shareholder	Thailand	99.93	99.93	0.07	0.07	6,826,300	6,826,300
Siam Cineplex Co., Ltd.	Cinema services	Shareholder	Thailand	99.99	99.99	0.01	0.01	149,999,300	149,999,300
EGV Entertainment Public Company Limited ("EGV")	Cinema services, advertising services, and area for rent	Shareholder	Thailand	99.98	99.98	0.02	0.02	917,454,635	917,454,635
M Pictures Entertainment Public Company Limited ("MPC")	Publishing, advertising and distribution of film rights	Shareholder	Thailand	92.46	92.46	7.54	7.54	2,002,847,009	2,002,847,009
Major Holding International Co., Ltd. ("MHD")	Holding business	Shareholder	Thailand	99.96	99.96	0.04	0.04	29,988,000	39,984,000
Digital Projector Management Co., Ltd.	Projector rental and system management	Shareholder	Thailand	99.99	99.99	0.04	0.04	4,999,700	4,999,700
Major Rewards Co., Ltd.	Customer relationship management loyalty program, E-payment and coupon Kiosk	Shareholder	Thailand	99.99	99.99	0.01	0.01	18,686,429	18,686,429
Mtel (Thailand) Co., Ltd.	Development of software and applications	Shareholder	Thailand	55.00	55.00	0.45	0.45	164,990	164,990
Tai Major Co., Ltd.	Film production	Shareholder	Thailand	60.00	-	0.40	-	18,000,000	-
Total								3,700,557,696	3,692,553,696
Less Allowance for impairment								(165,728,926)	(165,728,926)
Investment in subsidiaries, net								3,534,828,770	3,526,824,770

Major Cineplex Group Public Company Limited
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11 Investments in subsidiaries (Cont'd)

b) The details of investments in subsidiaries are as follows: (Cont'd)

Subsidiaries	Nature of business	Nature of relationship	Country of incorporation and place of business	Ownership interest held by Company/the Group		Ownership interest held by non-controlling interests	
				2019	2018	2019	2018
				%	%	%	%
Subsidiary under EGV EGV Exhibition Co., Ltd.	Cinema services	Indirect shareholding	Thailand	99.96	99.96	0.40	0.04
Subsidiaries under MPIC M Pictures Co., Ltd.	Distribution of film rights for cinema services, VCD/DVD production and TV broadcast	Indirect shareholding	Thailand	92.46	92.46	7.54	7.54
M V D Co., Ltd. ("MVD")	Distribution of VCD/DVD, Blu-ray and film rights	Indirect shareholding	Thailand	92.46	92.46	7.54	7.54
M Thirty Nine Co., Ltd.	Film production	Indirect shareholding	Thailand	92.46	92.46	7.54	7.54
M Talent Co., Ltd.	Film production	Indirect shareholding	Thailand	92.46	92.46	7.54	7.54
Metacognition Co., Ltd	Advertising agency businesses	Indirect shareholding	Thailand	-	55.48	-	44.52
Subsidiary under MVD Pacific Media Sale Co., Ltd.	Distribution of CD, VCD and DVD	Indirect shareholding	Thailand	-	91.91	-	8.09
Subsidiaries under MHD Major Platinum Cineplex (Cambodia) Co., Ltd. ("Major Platinum")	Cinema and bowling services	Indirect shareholding	Cambodia	69.97	69.97	30.03	30.03
Major Platinum Cineplex (Lao) Co., Ltd. ("Major Platinum Lao")	Cinema and bowling services	Indirect shareholding	Lao People's Democratic Republic	59.98	59.98	40.02	40.02
Cineplex (Lao) Sole Co., Ltd. ("CNP")	Cinema services	Indirect shareholding	Lao People's Democratic Republic	99.96	99.96	0.04	0.04

Subsidiaries are incorporated in Thailand except subsidiaries under MHD which are registered in Cambodia and Lao People's Democratic Republic. All holdings are investments in ordinary shares.

All subsidiaries are included in consolidated financial statements preparation. The proportion of ownership interest held by the Group is equal to voting rights in the subsidiaries held by the Group.

The Group does not have material non-controlling interests. See note 28 for movements in non-controlling interests.

12 Investments in associates

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Investments in associate	3,817,685,862	3,375,388,805	3,360,807,431	3,099,847,264
<u>Less</u> Allowance for impairment	-	-	(13,100,000)	-
Investments in associate, net	<u>3,817,685,862</u>	<u>3,375,388,805</u>	<u>3,347,707,431</u>	<u>3,099,847,264</u>

a) Movements of investments in associates

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Opening net book amount	3,375,388,805	2,969,458,728	3,099,847,264	2,716,073,678
Additions	363,194,765	619,016,390	305,717,465	608,516,390
Disposals	(51,508,157)	(257,185,700)	(44,757,298)	(224,742,804)
Decrease capital	(7,350,000)	-	-	-
Impairment of investment	-	-	(13,100,000)	-
Dividends received	(164,551,123)	(224,448,632)	-	-
Share of results	302,781,079	268,548,019	-	-
Foreign exchange difference	(269,507)	-	-	-
Closing net book amount	<u>3,817,685,862</u>	<u>3,375,388,805</u>	<u>3,347,707,431</u>	<u>3,099,847,264</u>

Gain on disposals of assets to the Property Fund will be realised on the straight-line basis over the lease contracts period of the buildings leased out to the Property Fund. During 2019, the Group realised gain on disposals of Baht 16.53 million in the consolidated income statement. (2018: Baht 16.53 million).

Investment in associates included goodwill amounting to Baht 188.43 million. (2018: Baht 282.48 million).

During 2019, the Company received dividends income from associates amounting to Baht 164.55 million (2018: Baht 224.45 million), which was recognised in "Other income" in the separate income statement and recognised net from "Investment in associates" in the consolidated statement of financial position.

Addition of investment

2019

Siam Future Development Public Company Limited ("SF")

During 2019, the Company made additional investment in SF of 49.51 million shares totalling Baht 300.32 million.

Joint Venture CRACKED

On 2 October 2019, the Company invested in "Joint Venture CRACKED". The Company has 20.00% of ownership interest with respect to the joint venture agreement. The Company paid for investment totalling Baht 5.40 million on 18 November 2019.

Associate under M Pictures Entertainment Public Company Limited (Subsidiary)

M Pictures Entertainment Public Company Limited invested in "M.P.I.C. (Cambodia) Distribution Co., Ltd.". The Company has percentage of indirect interest of 50.85%. M Pictures Entertainment Public Company Limited paid the investment amounting to Baht 3.45 million on 4 June 2019.

12 Investments in associates (Cont'd)

a) Movements of investments in associates (Cont'd)

Associates under M Pictures Company Limited (Subsidiary)

During 2019, M Pictures Company Limited invested in associates as follows :

1. "Joint Venture THAT MARCH", in which the Company has percentage of indirect interest of 12.94% with respect to the joint venture agreement. M Pictures Company Limited paid the investment amounting to Baht 3.50 million on 28 January 2019.
2. "Joint Venture OUR LOVE FOREVER", in which the Company has percentage of indirect interest of 12.94% with respect to the joint venture agreement. M Pictures Company Limited paid the investment amounting to Baht 3.50 million on 9 April 2019.
3. "Joint Venture CLASSIC AGAIN", in which the Company has percentage of indirect interest of 36.06% with respect to the joint venture agreement. M Pictures Company Limited paid the investment amounting to Baht 9.75 million on 13 May 2019.
4. "Joint Venture Khun Phaen Fah Feun", in which the Company has percentage of indirect interest of 47.16% with respect to the joint venture agreement. M Pictures Company Limited paid the investment amounting to Baht 23.97 million on 28 June 2019.
5. "Joint Venture Kuen Yutti Tham", in which the Company has percentage of indirect interest of 64.72% with respect to the joint venture agreement. M Pictures Company Limited paid the investment amounting to Baht 13.30 million on 23 December 2019.

2018

Siam Future Development Public Company Limited ("SF")

During 2018, the Company made additional investment in SF of 72.91 million shares totalling Baht 608.52 million.

Associate under M Pictures Company Limited (Subsidiary)

Joint Venture Sangkrasue

During 2018, M Pictures Company Limited invested in "Joint Venture Sangkrasue", which the Company has percentage of interest 30.00% with respect to the joint venture agreement. M Pictures Company Limited paid the investment amounting to Baht 10.50 million on 27 July 2018.

Disposal of investment

2019

Siam Future Development Public Company Limited ("SF")

During 2019, the Company disposed investment in SF of 11.27 million shares for the considerations of Baht 83.78 million and recognised gain from disposal amounting to Baht 32.27 million, and Baht 39.02 million, included in "Other income" in the consolidated and separate income statement, respectively.

The addition and disposal movements of investment in SF resulted in the change to shareholding percentage from 26.34% to 28.09%.

2018

During 2018, the Company disposed investment in SF of 60.63 million shares for the considerations of Baht 542.88 million and recognised gain from disposal amounting to Baht 285.70 million, and Baht 318.14 million, included in "Other income" in the consolidated and separate income statement, respectively.

The addition and disposal movements of investment in SF resulted in the change to shareholding percentage from 25.65% to 26.34%.

12 Investments in associates (Cont'd)

a) Movements of investments in associates (Cont'd)

Return of investment

Joint venture Sangkrasue

In 2019, M Pictures Company Limited received a return of investment from “Joint Venture Sangkrasue” amounting to Baht 5.25 million on 23 September 2019 and Baht 2.10 million on 9 December 2019.

Impairment of investment

CJ Major Entertainment Company Limited (“CJM”)

During 2019, the impairment charge of Baht 13.10 million was provided on investment on CJM as a result of the lower of recoverable amount than carrying value. The main factor of impairment loss recognition was due to restructuring in Thai film business.

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12 Investments in associates (Cont'd)

b) The details of investments in associates

Associates	Corporated country	Business	Nature of relationship	% of ownership interest		Consolidated financial statements		Separate financial statements		Unit: Baht
				2019	2018	Investment at equity method	2019	Investment at cost method	2018	
Siam Future Development Public Company Limited ("SF")	Thailand	Rental of building space and utilities	Shareholder	28.09	26.34	2,505,982,285	2,138,465,726	2,133,407,431	1,877,847,264	
Ratchayothin Avenue Co., Ltd. ("RAV")	Thailand	Rental of building space and utilities	Shareholder	50.00	50.00	58,100,171	51,735,953	67,500,000	67,500,000	
Major Cineplex Lifestyle Leasehold Property Fund ("MJLF")	Thailand	Rental of space and utilities services	Indirect holding via SF Shareholder	14.05	13.17					
Thai ticket major Co., Ltd. ("TTM")	Thailand	Agent for selling of tickets	Shareholder	33.00	33.00	1,136,362,807	1,101,595,853	1,089,000,000	1,089,000,000	
CJ Major Entertainment Company Limited ("CJM")	Thailand	Film production and distribution	Shareholder	40.00	40.00	48,394,569	49,489,328	31,200,000	31,200,000	
Joint Venture CRACKED	Thailand	Film production and distribution	Shareholder	49.00	49.00	22,420,883	23,637,334	34,300,000	34,300,000	
				20.00	-	5,392,369	-	5,400,000	-	
Associates under M Pictures Entertainment PLC										
M.P.I.C. (Cambodia) Distribution Co., Ltd.	Cambodia	Distribution of film rights	Indirect shareholding	50.85	-	6,159,480	-	-	-	
Associate under M Pictures Company Limited										
Joint venture Sangkrasue	Thailand	Film production	Indirect shareholding	27.74	27.74	5,066,364	10,464,611	-	-	
Joint venture Khun Phaen Fah Feun	Thailand	Film production	Indirect shareholding	47.16	-	5,635,721	-	-	-	
Joint venture THAT MARCH	Thailand	Film production	Indirect shareholding	12.94	-	29,839	-	-	-	
Joint venture OUR LOVE FOREVER	Thailand	Film production	Indirect shareholding	12.94	-	1,149,320	-	-	-	
Joint venture CLASSIC AGAIN	Thailand	Film production	Indirect shareholding	36.06	-	9,770,685	-	-	-	
Joint venture Keun Yutitham	Thailand	Film production	Indirect shareholding	64.72	-	13,221,369	-	-	-	
Total						3,817,685,862	3,375,388,805	3,360,807,431	3,099,847,264	
Less Allowance for impairment						-	-	(13,100,000)	-	
Investment in associates, net						3,817,685,862	3,375,388,805	3,347,707,431	3,099,847,264	

The Group has significant influence over Joint venture THAT MARCH and Joint venture OUR LOVE FOREVER even though the shareholding is less than 20% due to one-fifth board representation.

12 Investments in associates (Cont'd)

b) The details of investments in associates (Cont'd)

As at 31 December 2019, the fair value of the Group's interest in SF, which is listed on the Stock Exchange of Thailand, was Baht 3,174.39 million (2018: Baht 3,439.93 million) and the carrying amount of the Group's interest was Baht 2,505.98 million (2018: Baht 2,138.47 million).

As at 31 December 2019, the fair value of the Group's interest in MJLF, which is listed on the Stock Exchange of Thailand, was Baht 1,208.79 million (2018: Baht 1,350.36 million) and the carrying amount of the Group's interest was Baht 1,136.36 million (2018: Baht 1,101.60 million).

RTA, TTM and CJM are private companies and there is no quoted market price available for their shares.

CRACKED is Joint Venture and there is no quoted market price available for their shares.

There is no contingent liabilities relating to the Group's interest in associates.

c) Summarised financial information for associates

Set out below are the summarised financial information for associates that are material to the Group. The information disclosed reflects the amount presented in the financial statements of the relevant associates (not only the Group's shares of these associates). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in accounting policy of the Group and associates.

The Group has no contingent liabilities relating to interest in associates.

Summarised statement of comprehensive income

	Unit : Baht			
	SF		MJLF	
	2019	2018	2019	2018
Revenue	1,550,397,903	1,454,586,606	413,874,767	401,481,948
Profit from continuing operation	765,330,128	527,566,441	329,562,154	289,098,869
Post-tax profit from continuing operations	634,930,348	498,928,361	329,562,154	289,098,869
Other comprehensive income	738,414	-	-	-
Total comprehensive income	635,668,762	498,928,361	329,562,154	289,098,869
Dividends received from associates	46,342,123	113,401,132	88,209,000	95,287,500

12 Investments in associates (Cont'd)

c) Summarised financial information for associates (Cont'd)

Summarised statement of financial position

	Unit : Baht			
	SF		MJLF	
	2019	2018	2019	2018
Current assets	396,028,605	389,879,293	274,367,657	240,727,413
Non-current assets	12,685,691,142	11,574,836,623	3,916,591,446	3,851,118,345
Current liabilities	1,710,712,873	1,644,323,573	70,891,727	33,262,413
Non-current liabilities	2,612,362,305	2,773,165,126	86,826,066	87,604,189
Net assets including non-controlling interests	8,758,644,569	7,547,227,217	4,033,241,310	3,970,979,156
Non-controlling interests	(423,967,380)	(411,130,446)	-	-
Net assets excluding non-controlling interests	8,334,677,189	7,136,096,771	4,033,241,310	3,970,979,156

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates

Summarised financial information	Unit : Baht			
	SF		MJLF	
	2019	2018	2019	2018
Net assets excluding non-controlling interests as at period end	8,334,677,189	7,136,096,771	4,033,241,310	3,970,979,156
Interest in associate (%)	28.09	26.34	33.00	33.00
Interest in joint venture	2,341,210,822	1,879,647,890	1,330,969,632	1,310,423,121
Adjusted gain from selling assets	-	-	(194,606,825)	(208,827,268)
Goodwill	164,771,464	258,817,836	-	-
Carrying value	2,505,982,286	2,138,465,726	1,136,362,807	1,101,595,853

Individually immaterial associates

In addition to interest in associates disclosed above, the Group also has interests in a number of individually material associates that are accounted for using equity method.

	Unit: Baht	
	2019	2018
Aggregate carrying amount of individually immaterial associates	175,340,769	135,327,227
Aggregate amounts of the reporting entity's share of profit from continuing activities	14,486,242	33,347,912

13 Joint Arrangement

a) Joint ventures

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Investments in joint ventures	67,394,947	75,176,404	-	-
<u>Less</u> Allowance for impairment	-	-	-	-
Investments in joint ventures, net	67,394,947	75,176,404	-	-

Movements of investments in joint ventures

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Investments in joint ventures				
Opening net book amount	75,176,404	37,405,758	-	-
Acquisition of investment	1,304,000	43,999,980	-	-
Share of loss of investments in joint ventures	(8,841,816)	(6,206,808)	-	-
Share of comprehensive income	(62,933)	(104,693)	-	-
Foreign exchange difference	(180,708)	82,167	-	-
Closing net book amount	67,394,947	75,176,404	-	-

Addition of investment

2019

Joint venture under M Pictures Entertainment Public Company Limited (Subsidiary)

M Pictures Entertainment Public Company Limited invested in an increase in registered share capital of MVP M-Pictures Film Distribution (Lao) Co., Ltd. according to the proportion of existing shareholders in 34,200 shares with a par value of LAK 10,000 per share. The company paid-up for ordinary shares totaling Baht 1.30 million on 20 May 2019.

2018

Joint ventures under M Pictures Entertainment Public Company Limited (Subsidiary)

Transformation Films Company Limited

The Board of Directors of Transformation films Company Limited (Joint venture) held on 10 July 2018 approved an increase in registered share capital of Transformation films Company Limited from the registered 1.75 million ordinary shares with a par value of Baht 100.00 per share to 2.45 million shares with a par value of Baht 100.00 per share. The Company paid-up for ordinary shares in 350,000 share, totaling Baht 35 million. As a result, the interest hold increases to 34.69% of the issued share capital. Transformation films Company Limited registered the additional paid-up of shares with the Ministry of Commerce on 23 July 2018.

Major Kantana Broadcasting Company Limited

The Board of Directors held on 8 August 2018 approved to additionally invest in an increase in registered share capital of Major Kantana Broadcasting Company Limited (Joint venture) according to the proportion of existing shareholders in 899,998 shares with a par value of Baht 10.00 per share. The company paid-up for ordinary shares totaling Baht 9 million.

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13 Joint Arrangement (Cont'd)

a) Joint ventures (Cont'd)

The details of investments in joint ventures:

Joint ventures	Business	Nature of relationship	Country of incorporation	Ownership Interest		Consolidated financial statements		Separate financial statements	
				2019 (%)	2018 (%)	Equity method	Cost Method	2019 (Baht)	2018 (Baht)
Major Kantana Broadcasting Company Limited	Satellite broadcasting and distribution of film rights	Shareholder	Thailand	41.61	41.61	32,044,278	38,775,111	-	-
Transformation Films Company Limited	Film production, advertising, TV broadcasting and services for all forms of entertainment	Shareholder	Thailand	32.07	32.07	33,578,012	36,401,293	-	-
MVP M-Picture Films Distribution (Lao) Co., Ltd.	Distribution of film rights for cinema, VCD/DVD production and TV broadcast	Shareholder	Lao People's Democratic Republic	36.98	36.98	1,772,657	-	-	-
Investments in joint ventures						67,394,947	75,176,404	-	-

All joint ventures are private companies and there is no quoted market price available for their shares. All holdings are investments in ordinary shares, which the Company directly held. The country of incorporation is the same as the principal place of business.

13 Joint Arrangement (Cont'd)

a) Joint ventures (Cont'd)

Individually immaterial joint ventures

The Group has interests in individually immaterial joint venture that is accounted for using the equity method.

	Unit: Baht	
	2019	2018
Aggregate carrying amount of individually immaterial joint ventures	67,394,947	75,176,404
Aggregate amounts of the reporting entity's share of:		
Loss from continuing activities	(8,841,816)	(6,206,808)

Commitments and contingent liabilities in respect of joint ventures

The Group has no contingent liabilities relating to the Group's interests of its joint ventures.

b) Joint operation

The detail of investment in joint operation under M Pictures Company Limited (Subsidiary)

Joint operation	Business	Nature of relationship	Country of incorporation	% of ownership interest	
				2019	2018
				%	%
Joint Venture Hug Terd Tueng	Film production	Indirect shareholder	Thailand	50.85	-

The detail of investments in joint operations under M Thirty Nine Company Limited (Subsidiary)

Joint operation	Business	Nature of relationship	Country of incorporation	% of ownership interest	
				2019	2018
				%	%
Joint Venture Bikeman	Film production	Indirect shareholder	Thailand	64.72	64.72
Joint Venture Gang Tann Zine and Laan25 Naa24	Film production	Indirect shareholder	Thailand	64.72	-
Joint Venture Bikeman 2	Film production	Indirect shareholder	Thailand	50.85	-
Joint Venture Sam Gler Hua Kaeng and Juad Kathoei Bung Fai	Film production	Indirect shareholder	Thailand	64.72	-

The Group holds 50.85%-64.72% of the voting right in Joint venture Bikeman, Joint venture Gang Tann Zine and Laan25 Naa24, Joint venture Bikeman2 and Joint venture Sam Gler Hua Kaeng and Juad Kathoei Bung Fai. However, the Group concluded that it has joint control over the joint arrangement under the contractual agreement which requires unanimous consent from all parties to the agreement. The Group and counterparties to the agreement have rights to the net assets of the joint arrangements.

13 Joint Arrangement (Cont'd)

b) Joint operation (Cont'd)

Addition of investment

Joint operation under M Pictures Company Limited (Subsidiary)

M Pictures Company Limited invested in “Joint Venture Hug Terd Tueng”, which the Company has percentage of interest 50.85% with respect to the joint venture agreement. M Pictures Company Limited paid the investment amounting to Baht 9.90 million on 8 October 2019.

Joint operation under M Thirty Nine Company Limited (Subsidiary)

M Thirty Nine Company Limited invested in joint operation as follows :

2019

1. “Joint Venture Gang Tann Zine and Laan25 Naa24”, which the Company has percentage of interest 64.72% with respect to the joint venture agreement. M Thirty Nine Company Limited paid the investment amounting to Baht 35 million on 22 March 2019, 22 May 2019 and 24 June 2019, and 22 July 2019.
2. “Joint Venture Bikeman 2”, which the Company has percentage of interest 50.85% with respect to the joint venture agreement. M Thirty Nine Company Limited paid the investment amounting to Baht 13.75 million on 10 May 2019.
3. “Joint Venture Sam Gler Hua Kaeng and Juad Kathoei Bung Fai”, which the Company has percentage of interest 64.72% with respect to the joint venture agreement. M Thirty Nine Company Limited paid the investment amounting to Baht 16.45 million on 14 November 2019, 28 November 2019, 2 December 2019 and 9 December 2019.

2018

M Thirty Nine Company Limited investment in “Joint Venture Bikeman” on 16 July 2018. Joint Venture Bikeman is a joint arrangement, being categorised as a joint operation, which the Company has percentage of interest 64.72% with respect to the joint venture agreement.

Returned of investment

M Thirty Nine Company Limited got returned of investment from “Joint Venture Bikeman” amounting to Baht 8.40 million on 22 March 2019 and 23 September 2019.

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14 Property, plant and equipment

	Consolidated financial statements							Unit: Baht
	Land	Building and building improvement	Cinema and cinema improvement	Utility system	Tool, equipment and fixtures	Office equipment	Vehicle	
As at 1 January 2018								
Cost	208,316,998	1,849,711,750	4,590,639,806	1,726,094,329	6,898,375,119	621,144,823	28,351,505	15,973,499,848
Less: Accumulated depreciation	-	(1,060,366,171)	(2,334,580,682)	(879,647,627)	(3,903,743,915)	(496,672,123)	(20,605,403)	(8,695,615,921)
Allowance for impairment	-	(4,614,714)	-	(5,527,751)	(81,010,335)	(301,977)	-	(91,454,777)
Net book value	208,316,998	784,730,865	2,256,059,124	840,918,951	2,913,620,869	124,170,723	7,746,102	7,186,429,150
For the year ended 31 December 2018								
Opening net book value	208,316,998	784,730,865	2,256,059,124	840,918,951	2,913,620,869	124,170,723	7,746,102	7,186,429,150
Exchange differences	-	-	(1,900,205)	(89,795)	(1,261,880)	(274,183)	(573)	(3,526,636)
Additions	-	4,702,361	195,079,117	106,691,438	407,216,008	73,402,421	-	1,181,556,314
Transfer	-	3,965,907	164,166,155	45,343,947	143,539,137	21,102,425	-	(378,117,571)
Disposals, net	-	-	(1,187,828)	(24,681)	(6,046,337)	(776,913)	(2)	(8,035,761)
Write-off, net	-	(405,806)	(4,624,004)	(557,015)	(5,196,133)	(56,956)	-	(12,559,914)
Depreciation charge	-	(87,163,872)	(261,056,354)	(103,981,971)	(537,479,806)	(79,113,180)	(2,747,365)	(1,071,542,548)
Impairment charge, net	-	-	-	(11,954,727)	(18,231,106)	(487,772)	-	(30,673,605)
Closing net book value	208,316,998	705,829,455	2,346,536,005	876,346,147	2,896,160,752	137,966,565	4,998,162	7,241,647,000
As at 31 December 2018								
Cost	208,316,998	1,843,695,062	4,899,147,214	1,847,168,604	7,260,786,215	703,589,796	26,747,971	16,854,944,776
Less: Accumulated depreciation	-	(1,137,865,607)	(2,552,611,209)	(955,827,556)	(4,298,587,798)	(564,833,482)	(21,749,809)	(9,531,475,461)
Allowance for impairment	-	-	-	(14,994,901)	(66,037,665)	(789,749)	-	(81,822,315)
Net book value	208,316,998	705,829,455	2,346,536,005	876,346,147	2,896,160,752	137,966,565	4,998,162	7,241,647,000

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14 Property, plant and equipment (Cont'd)

	Consolidated financial statements						Unit: Baht
	Land	Building and building improvement	Cinema and cinema improvement	Utility system	Tool, equipment and fixtures	Office equipment	
For the year ended 31 December 2019	208,316,998	705,829,455	2,346,536,005	876,346,147	2,896,160,752	137,966,565	
Opening net book value	-	-	(12,251,354)	(253,661)	(9,006,637)	(605,615)	7,241,647,000
Exchange differences	-	-	77,895,752	67,019,906	228,026,421	37,251,462	(25,305,809)
Additions	-	1,944,860	-	-	-	-	574,686,001
Transfer	-	1,179,638	53,061,986	11,284,041	107,892,531	(27,381,011)	-
Disposal of subsidiary	-	-	-	-	(389,885)	(241,964)	(631,649)
Disposals, net	-	-	(526,664)	(7,539,442)	(15,105,446)	(128,761)	(23,742,166)
Write-off, net	-	-	(1,287,528)	(158,946)	(6,200,511)	(43,036)	(7,690,021)
Depreciation charge	-	(78,535,274)	(267,827,134)	(111,781,637)	(516,462,707)	(72,254,263)	(1,048,936,045)
Impairment charge, net	-	-	-	-	(89,704,999)	(20,712)	(89,725,711)
Closing net book value	208,316,998	630,418,679	2,195,601,063	834,916,408	2,595,209,719	74,542,665	6,620,301,600
As at 31 December 2019	208,316,998	1,846,819,559	4,913,504,638	1,905,232,479	7,445,109,985	696,347,908	17,117,500,219
Cost	-	(1,216,400,880)	(2,716,721,504)	(1,058,810,330)	(4,714,191,002)	(621,003,611)	(10,347,999,911)
Less: Accumulated depreciation	-	-	(1,182,071)	(11,505,741)	(135,709,264)	(801,632)	(149,198,708)
Allowance for impairment	-	-	-	-	-	-	-
Net book value	208,316,998	630,418,679	2,195,601,063	834,916,408	2,595,209,719	74,542,665	6,620,301,600

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14 Property, plant and equipment (Cont'd)

	Separate financial statements						Unit: Baht
	Land	Building, cinema and improvement	Utility system	Tool, equipment and fixtures	Office equipment	Vehicle	
As at 1 January 2018							
Cost	173,406,998	3,152,483,952	871,165,563	3,422,976,988	412,780,528	18,433,251	8,082,682,684
Less: Accumulated depreciation	-	(1,496,428,850)	(315,909,838)	(1,607,886,099)	(330,364,268)	(12,210,319)	(3,762,799,374)
Allowance for impairment	-	(4,614,714)	(597,537)	(33,389,281)	-	-	(38,601,532)
Net book value	173,406,998	1,651,440,388	554,658,188	1,781,701,608	82,416,260	6,222,932	4,281,281,778
For the year ended 31 December 2018							
Opening net book value	173,406,998	1,651,440,388	554,658,188	1,781,701,608	82,416,260	6,222,932	4,281,281,778
Additions	-	143,034,547	98,037,965	279,469,705	61,772,981	-	927,217,144
Transfer	-	153,649,949	43,868,456	133,755,272	21,196,277	-	(352,469,954)
Disposals, net	-	(390,795)	(7,053)	(27,381,748)	(77,341)	-	(27,856,937)
Write-off, net	-	(665,235)	(139,086)	(5,690)	(47,651)	-	(2,577,662)
Depreciation charge	-	(187,370,679)	(63,972,971)	(304,491,406)	(57,906,053)	(2,051,001)	(615,792,110)
Impairment charge, net	-	-	(619,121)	(1,476,249)	(15,534)	-	(2,110,904)
Closing net book value	173,406,998	1,759,698,175	631,826,378	1,861,571,492	107,338,939	4,171,931	4,560,161,309
As at 31 December 2018							
Cost	173,406,998	3,436,675,335	1,011,823,384	3,731,178,239	491,503,364	18,433,251	8,885,167,967
Less: Accumulated depreciation	-	(1,676,977,160)	(379,377,885)	(1,859,708,824)	(384,148,891)	(14,261,320)	(4,314,474,080)
Allowance for impairment	-	-	(619,121)	(9,897,923)	(15,534)	-	(10,532,578)
Net book value	173,406,998	1,759,698,175	631,826,378	1,861,571,492	107,338,939	4,171,931	4,560,161,309

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14 Property, plant and equipment (Cont'd)

	Separate financial statements						Unit: Baht
	Land	Building, cinema and improvement	Utility system	Tool, equipment and fixtures	Office equipment	Vehicle	
For the year ended 31 December 2019							
Opening net book value	173,406,998	1,759,698,175	631,826,378	1,861,571,492	107,338,939	4,171,931	4,560,161,309
Additions	-	56,350,268	53,716,123	171,029,494	26,987,919	-	423,811,475
Transfer	-	43,877,456	8,324,146	91,907,358	(27,644,505)	-	-
Disposals, net	-	(303,200)	(160,036)	(3,770,825)	(270,850)	-	(4,504,911)
Write-off, net	-	(1,287,528)	(154,873)	(6,056,212)	(64)	-	(7,498,677)
Depreciation charge	-	(194,399,290)	(72,188,963)	(343,521,908)	(51,589,948)	(1,720,600)	(663,420,709)
Closing net book value	173,406,998	1,663,935,881	621,362,775	1,771,159,399	54,821,491	2,451,331	4,308,548,487
As at 31 December 2019							
Cost	173,406,998	3,438,644,208	1,072,860,745	3,924,307,065	482,055,709	18,433,251	9,131,118,588
Less: Accumulated depreciation	-	(1,773,526,256)	(450,878,849)	(2,149,248,206)	(427,227,407)	(15,981,920)	(4,816,862,638)
Allowance for impairment	-	(1,182,071)	(619,121)	(3,899,460)	(6,811)	-	(5,707,463)
Net book value	173,406,998	1,663,935,881	621,362,775	1,771,159,399	54,821,491	2,451,331	4,308,548,487

14 Property, plant and equipment (Cont'd)

Classification of depreciation

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Costs of providing services	801.23	823.61	481.42	433.95
Administrative expense	247.71	247.93	182.00	181.85
Total depreciation	1,048.94	1,071.54	663.42	615.80

As at 31 December 2019, the land and buildings with the net book value of Baht 35.43 million (2018: Baht 35.59 million) have been pledged under the land and building long-term lease agreement with Major Cineplex Lifestyle Leasehold Property Fund. According to the agreement, the Group is unable to sell, lease or use these assets as collateral to other parties.

During 2019, an impairment charge of Baht 89.73 million for tool, equipment, fixtures and office equipment for closed branches. The cash-generating unit is each branch locations.

Leased assets included above, where the Group and the Company are lessees under finance lease, comprise lease space, motor vehicles and equipment:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost - capitalised finance leases	19,231,683	19,980,133	19,231,683	19,231,683
<u>Less</u> Accumulated depreciation	(7,424,459)	(7,321,057)	(7,424,459)	(6,783,815)
Net book amount	11,807,224	12,659,076	11,807,224	12,447,868

15 Goodwill

	Unit: Baht	
	Consolidated financial statements	
	2019	2018
As at 1 January		
Cost	337,065,399	337,065,399
<u>Less</u> Allowance for impairment	(184,134,683)	(131,684,683)
Net book value	152,930,716	205,380,716
For the years ended 31 December		
Opening net book value	152,930,716	205,380,716
Impairment charge	(55,000,000)	(52,450,000)
Closing net book value	97,930,716	152,930,716
As at 31 December		
Cost	337,065,399	337,065,399
<u>Less</u> Allowance for impairment	(239,134,683)	(184,134,683)
Net book value	97,930,716	152,930,716

The carrying amount of the goodwill has been reduced to reflect the recoverable amount of the cash - generating units by recognising impairment loss from goodwill. The impairment loss has been included in income statement.

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15 Goodwill (Cont'd)

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. A segment-level summary of the goodwill allocation is presented below.

Goodwill allocation

For the year ended 31 December 2018

	Consolidated financial statements					Unit : Baht
	Cinema business	Advertising business	Bowling and karaoke business	Rental and services business	Movie content business	Total
Cost	20,159,523	-	1,327,239	52,746,610	262,832,027	337,065,399
Less Allowance for impairment	(2,991,576)	-	(1,327,239)	(29,956,518)	(149,859,350)	(184,134,683)
Net book value	17,167,947	-	-	22,790,092	112,972,677	152,930,716

Goodwill allocation

For the year ended 31 December 2019

On the year ended 31 December 2019						
	Consolidated financial statements					
	Cinema business	Advertising business	Bowling and karaoke business	Rental and services business	Movie content business	Total
Cost	20,159,523	-	1,327,239	52,746,610	262,832,027	337,065,399
Less Allowance for impairment	(2,991,576)	-	(1,327,239)	(29,956,518)	(204,859,350)	(239,134,683)
Net book value	17,167,947	-	-	22,790,092	57,972,677	97,930,716

15 Goodwill (Cont'd)

For the purposes of assessing impairment, assets are grouped at the lowest level of each identifiable cash flows (cash-generating unit). For goodwill of movie content segment which is significant to financial statements, the Group has engaged an independent certified financial advisor to assess the recoverable amount by considering from value in use calculation. The recoverable amount assessment is based on a two-year pre-tax cash flow projection referring to an approved financial and business plan by management.

Key assumptions used in the recoverable amount assessment include:

	Cinema business	Rental and services business	Movie content business
Gross margin ¹ (%)	28.10	14.06	48.00
Growth rate ² (%)	0.35	0.35	0.34
Discount rate ³ (%)	7.60	7.93	9.70 - 11.44
Recoverable amount of the CGU (million Baht)	3,779	510	360

¹ Budgeted gross margin.

² Weighted average growth rate used to extrapolate cash flows beyond the budget period.

³ Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The impairment loss in goodwill of Media Content business is caused by the uncertainty of the Thai movie industry. The management therefore reduced the goodwill to the recoverable amount. If the discount rate is reduced by 1% from the rate estimated by the Group, the book value of goodwill of the Movie Content business will be higher than net realisable value amounting to Baht 31.96 million.

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16 Intangible assets

	Unit: Baht			
	Consolidated financial statements			Separate financial statements
	Film rights	Computer program	Program in progress	Computer program
As at 1 January 2018				
Cost	1,577,137,592	179,742,932	-	1,756,880,524
Less Accumulated amortisation	(1,494,988,260)	(132,352,234)	-	(1,627,340,494)
Allowance for impairment	(27,996,268)	(1,146,244)	-	(29,142,512)
Net book value	54,153,064	46,244,454	-	100,397,518
For the year ended 31 December 2018				
Opening net book value	54,153,064	46,244,454	-	100,397,518
Exchange differences	-	(20,214)	-	(20,214)
Additions	29,436,069	36,638,957	3,057,854	69,132,880
Transfer in from film under production	149,003,638	-	-	149,003,638
Write-off, net	(12,179,561)	(118,253)	-	(12,297,814)
Impairment charge	-	(18,901)	-	(18,901)
Reversal of allowance for impairment	9,129,042	-	-	9,129,042
Amortisation	(172,157,290)	(20,932,725)	-	(193,090,015)
Closing net book value	57,384,962	61,793,318	3,057,854	122,236,134
As at 31 December 2018				
Cost	1,543,976,111	215,899,489	3,057,854	1,762,933,454
Less Accumulated amortisation	(1,467,723,922)	(152,941,026)	-	(1,620,664,948)
Allowance for impairment	(18,867,227)	(1,165,145)	-	(20,032,372)
Net book value	57,384,962	61,793,318	3,057,854	122,236,134
				50,222,754

Major Cineplex Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

16 Intangible assets (Cont'd)

	Consolidated financial statements			Separate financial statements			Unit: Baht
	Film rights	Computer program	Program in progress	Total	Computer program	Program in progress	Total
For the year ended 31 December 2019							
Opening net book value	57,384,962	61,793,318	3,057,854	122,236,134	50,222,754	-	50,222,754
Exchange differences	-	(335,718)	-	(335,718)	-	-	-
Additions	6,187,435	21,619,115	35,633,869	63,440,419	20,396,818	28,421,541	48,818,359
Transfer in from film under production	223,141,209	-	-	223,141,209	-	-	-
Disposals, net	-	(2)	-	(2)	-	-	-
Write-off, net	(5,109,130)	(59)	-	(5,109,189)	(1)	-	(1)
Reversal of allowance for impairment	5,157,737	-	-	5,157,737	-	-	-
Amortisation	(247,328,252)	(23,835,095)	-	(271,163,347)	(20,045,211)	-	(20,045,211)
Closing net book value	39,433,961	59,241,559	38,691,723	137,367,243	50,574,360	28,421,541	78,995,901
At 31 December 2019							
Cost	1,395,234,471	235,468,797	38,691,723	1,669,394,991	203,952,812	28,421,541	232,374,353
Less Accumulated amortisation	(1,342,091,021)	(175,080,823)	-	(1,517,171,844)	(153,378,452)	-	(153,378,452)
Allowance for impairment	(13,709,489)	(1,146,415)	-	(14,855,904)	-	-	-
Net book value	39,433,961	59,241,559	38,691,723	137,367,243	50,574,360	28,421,541	78,995,901
Amortisation recognised in profit and loss are as follow:							
	Consolidated financial statements			Separate financial statements			Unit: Million Baht
	2019	2018		2019	2018		
Cost of sales	247.33	172.16		-	-		-
Administrative expenses	23.83	20.93		20.05			17.25
Total amortisation	271.16	193.09		20.05			17.25

17 Deferred income tax

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	8,080,350	35,805,735	3,528,963	19,745,158
Deferred tax asset to be recovered after more than 12 months	121,864,207	84,082,910	52,373,571	44,242,311
	<u>129,944,557</u>	<u>119,888,645</u>	<u>55,902,534</u>	<u>63,987,469</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(22,838,635)	(27,545,174)	(1,095,363)	(972,973)
Deferred tax liability to be settled after more than 12 months	(234,549,905)	(230,443,414)	(12,440,441)	(13,098,981)
	<u>(257,388,540)</u>	<u>(257,988,588)</u>	<u>(13,535,804)</u>	<u>(14,071,954)</u>
Deferred tax, net	<u>(127,443,983)</u>	<u>(138,099,943)</u>	<u>42,366,729</u>	<u>49,915,515</u>

The gross movements in the deferred income tax account are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
As at 1 January	(138,099,943)	(191,455,492)	49,915,515	35,706,035
Debited (credited) to profit or loss (Note 33)	10,724,936	41,275,098	(8,082,350)	1,970,241
Debited (credited) to comprehensive income or loss	(68,976)	12,080,451	533,565	12,239,239
As at 31 December	<u>(127,443,983)</u>	<u>(138,099,943)</u>	<u>42,366,730</u>	<u>49,915,515</u>

17 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities is as follows

	Consolidated financial statements			Unit: Baht
	As at 1 January 2018	Charged (credited) to profit or loss	Charged (credited) to other comprehensive Income or loss	As at 31 December 2018
Deferred tax assets				
Investment in associates according to equity method	24,470,920	(15,770,919)	-	8,700,001
Tax losses carried forward	2,302,711	(462,375)	-	1,840,336
Allowance for doubtful account	-	7,204,014	-	7,204,014
Allowance for obsolete inventory	320,000	3,600,000	-	3,920,000
Amortisation of film rights	10,899,336	3,526,872	-	14,426,208
Depreciation	9,155,313	4,413,589	-	13,568,902
Impairment of assets	3,560,699	(2,776,779)	-	783,920
Fixed assets under finance lease contracts	13,840,311	(4,524,385)	-	9,315,926
Prepaid rents	301,892	(23,372)	-	278,520
Finance lease liabilities	20,325,841	(15,814,221)	-	4,511,620
Employee benefits	7,296,940	3,705,904	1,076,420	12,079,264
Provision for customers loyalty program	2,144,353	(462,219)	-	1,682,134
Subsidy for construction received	22,086,697	14,189,422	-	36,276,119
Advance income	-	5,307,736	-	5,307,736
Exchange differences	-	-	(6,055)	(6,055)
Total	116,705,013	2,113,267	1,070,365	119,888,645
Deferred tax liabilities				
Available-for-sale investment	(11,010,086)	-	11,010,086	-
Investment in associates and joint ventures according to equity method	(56,177,090)	4,053,398	-	(52,123,692)
Amortisation	(1,256,997)	216,987	-	(1,040,010)
Finance lease receivables	(2,311,378)	58,296	-	(2,253,082)
Depreciation	(64,124,121)	22,119,069	-	(42,005,052)
Prepaid rental and services income	(173,280,833)	12,714,081	-	(160,566,752)
Total	(308,160,505)	39,161,831	11,010,086	(257,988,588)
Deferred tax, net	(191,455,492)	41,275,098	12,080,451	(138,099,943)

17 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities is as follows: (Cont'd)

	Consolidated financial statements			Unit: Baht
	As at 1 January 2019	Charged (credited) to profit or loss	Charged (credited) to other comprehensive Income or loss	As at 31 December 2019
Deferred tax assets				
Investment in associates				
according to equity method	8,700,001	(3,868,977)	-	4,831,024
Tax losses carried forward	1,840,336	(101,081)	-	1,739,255
Allowance for doubtful account	7,204,014	1,549,768	-	8,753,782
Allowance for obsolete inventory	3,920,000	98,273	-	4,018,273
Amortisation of film rights	14,426,208	(98,727)	-	14,327,481
Depreciation	13,568,902	11,332,868	-	24,901,770
Impairment of assets	783,920	(318,216)	-	465,704
Fixed assets under				
finance lease contracts	9,315,926	(1,423,741)	-	7,892,185
Prepaid rents	278,520	(23,373)	-	255,147
Finance lease liabilities	4,511,620	(14,588)	-	4,497,032
Employee benefits	12,079,264	2,609,583	796,078	15,484,925
Provision for customers				
loyalty program	1,682,134	(36,032)	-	1,646,102
Subsidy for construction received	36,276,119	(819,175)	-	35,456,944
Advance income	5,307,736	1,324,661	-	6,632,397
Exchange differences	(6,055)	-	(951,409)	(957,464)
Total	119,888,645	10,211,243	(155,331)	129,944,557
Deferred tax liabilities				
Investment in associates and				
joint ventures according to				
equity method	(52,123,692)	(22,391,279)	-	(74,514,971)
Amortisation	(1,040,010)	(138,627)	-	(1,178,637)
Finance lease receivables	(2,253,082)	78,597	-	(2,174,485)
Depreciation	(42,005,052)	10,250,919	-	(31,754,133)
Prepaid rental and services income	(160,566,752)	12,714,083	-	(147,852,669)
Exchange differences	-	-	86,355	86,355
Total	(257,988,588)	513,693	86,355	(257,388,540)
Deferred tax, net	(138,099,943)	10,724,936	(68,976)	(127,443,983)

17 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities is as follows: (Cont'd)

	Unit: Baht			
	Separate financial statements			
	As at 1 January 2018	Charged (credited) to profit or loss	Charged (credited) to other comprehensive	As at 31 December 2018
Deferred tax assets				
Impairment of investment	24,470,920	(15,770,920)	-	8,700,000
Impairment of inventory	320,000	3,600,000	-	3,920,000
Depreciation	129,132	(124,678)	-	4,454
Provision for impairment of assets	3,101,917	(2,317,996)	-	783,921
Finance lease liabilities	4,226,534	(1,202)	-	4,225,332
Employee benefits	4,981,675	2,184,681	1,229,153	8,395,509
Provision for customers loyalty program	2,144,353	(462,219)	-	1,682,134
Subsidy for construction received	22,086,697	14,189,422	-	36,276,119
Total	61,461,228	1,297,088	1,229,153	63,987,469
Deferred tax liabilities				
Available-for-sale investment	(11,010,086)	-	11,010,086	-
Amortisation	(935,889)	90,999	-	(844,890)
Depreciation	(13,809,218)	582,154	-	(13,227,064)
Total	(25,755,193)	673,153	11,010,086	(14,071,954)
Deferred tax, net	35,706,035	1,970,241	12,239,239	49,915,515

	Unit: Baht			
	Separate financial statements			
	As at 1 January 2019	Charged (credited) to profit or loss	Charged to other comprehensive income	As at 31 December 2019
Deferred tax assets				
Impairment of investment	8,700,000	(8,700,000)	-	-
Impairment of inventory	3,920,000	98,273	-	4,018,273
Depreciation	4,454	(4,423)	-	31
Provision for impairment of assets	783,921	(318,216)	-	465,705
Finance lease liabilities	4,225,332	(1,299)	-	4,224,033
Employee benefits	8,395,509	1,962,372	533,565	10,891,446
Provision for customers loyalty program	1,682,134	(36,033)	-	1,646,101
Subsidy for construction received	36,276,119	(1,619,174)	-	34,656,945
Total	63,987,469	(8,618,500)	533,565	55,902,534
Deferred tax liabilities				
Amortisation	(844,890)	(122,390)	-	(967,280)
Depreciation	(13,227,064)	658,540	-	(12,568,524)
Total	(14,071,954)	536,150	-	(13,535,804)
Deferred tax, net	49,915,515	(8,082,350)	533,565	42,366,730

17 Deferred income taxes (Cont'd)

In the financial position, deferred tax assets and liabilities are presented follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets	90,176,759	77,463,585	42,366,730	49,915,515
Deferred tax liabilities	(217,620,742)	(215,563,528)	-	-
Deferred tax, net	<u>(127,443,983)</u>	<u>(138,099,943)</u>	<u>42,366,730</u>	<u>49,915,515</u>

18 Prepaid rents

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current portion	48,731,139	48,407,379	23,877,149	23,553,389
Long-term portion	548,046,489	579,054,153	363,157,552	369,311,227
Total prepaid rents	<u>596,777,628</u>	<u>627,461,532</u>	<u>387,034,701</u>	<u>392,864,616</u>

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deposits	179,637,123	179,920,485	140,098,156	138,606,427
Others	13,348,336	8,141,320	3,304,905	8,141,321
	<u>192,985,459</u>	<u>188,061,805</u>	<u>143,403,061</u>	<u>146,747,748</u>

19 Other non-current assets

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts payables - third parties	831,231,174	1,034,763,228	535,775,705	615,241,236
Trade accounts payables - related parties (Note 37)	25,921,648	10,442,000	92,851,379	111,136,484
Amounts due to related parties (Note 37)	102,252,850	68,991,626	140,022,355	144,335,082
Other payables	261,116,415	437,735,567	178,285,342	345,958,019
Accrued expenses	514,156,196	497,776,012	300,456,460	316,197,179
Rental income received in advance	10,009,257	10,036,188	-	-
Trade accounts and other payables	<u>1,744,687,540</u>	<u>2,059,744,621</u>	<u>1,247,391,241</u>	<u>1,532,868,000</u>

20 Trade accounts and other payables

21 Borrowings

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current				
Bank overdrafts	276,127	4,992,753	-	-
Short-term loans from financial institutions	2,118,302,035	1,413,179,689	2,096,302,035	1,398,179,689
Total bank overdrafts and short-term loans from financial institutions	2,118,578,162	1,418,172,442	2,096,302,035	1,398,179,689
Current portion of long-term borrowings				
- Finance lease liabilities	141,527	116,355	105,982	6,493
- Bank borrowings	383,000,000	588,000,000	383,000,000	588,000,000
Total current portion of long-term borrowings	383,141,527	588,116,355	383,105,982	588,006,493
Non-current				
Finance lease liabilities	22,343,634	22,519,289	21,014,184	21,120,166
Bank borrowings	-	383,000,000	-	383,000,000
Debentures	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
Total non-current portion of long-term borrowings	1,522,343,634	1,905,519,289	1,521,014,184	1,904,120,166
Total borrowings	4,024,063,323	3,911,808,086	4,000,422,201	3,890,306,348

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

The fair values of debentures are based on their market price in Thai Bond Market Association as of the date of statement of financial position and are within level 2 of the fair value hierarchy.

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	%	%	%	%
- Bank overdrafts	6.87 - 7.18	6.87 - 7.12	7.18	6.87 - 7.12
- Bank borrowings	1.66 - 2.20	1.58 - 3.04	1.66 - 3.04	1.58 - 3.04
- Debentures	2.49 - 2.80	2.49 - 2.80	2.49 - 2.80	2.49 - 2.80

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	Carrying amounts	Fair values	Carrying amounts	Fair values
	2019	2018	2019	2018
Long-term bank borrowings	-	383,000,000	-	341,195,296
Debentures	1,500,000,000	1,500,000,000	1,529,800,000	1,506,350,000
	1,500,000,000	1,883,000,000	1,529,800,000	1,847,545,296
	Unit: Baht			
	Separate financial statements		Separate financial statements	
	Carrying amounts	Fair values	Carrying amounts	Fair values
	2019	2018	2019	2018
Long-term bank borrowings	-	383,000,000	-	341,195,296
Debentures	1,500,000,000	1,500,000,000	1,529,800,000	1,506,350,000
	1,500,000,000	1,883,000,000	1,529,800,000	1,847,545,296

21 Borrowings (Cont'd)

Short-term loans from financial institutions

Short-term loans from financial institutions represent bills of exchange and promissory notes denominated in Thai Baht bearing interest at the rates ranging from 1.66% to 2.20% per annum (2018: 1.58% to 2.06% per annum).

The movements in short-term loans from financial institutions can be analysed as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Opening balance	1,413,179,689	1,459,889,523	1,398,179,689	1,399,889,523
Cash flows in (out):				
Additions	5,377,000,000	4,005,000,000	5,200,000,000	3,730,000,000
Repayments	(4,670,000,000)	(4,050,000,000)	(4,500,000,000)	(3,730,000,000)
Non-cash changes:				
Amortised interest	(1,877,654)	(1,709,834)	(1,877,654)	(1,709,834)
Closing balance	2,118,302,035	1,413,179,689	2,096,302,035	1,398,179,689

Finance lease liabilities

Finance lease liabilities-minimum lease payments are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Not later than 1 year	1,831,141	1,807,692	1,795,596	1,696,626
Later than 1 year but not later than 5 years	8,702,129	8,578,400	7,589,572	7,503,327
Later than 5 years	35,529,298	37,645,736	34,520,417	36,402,258
	46,062,568	48,031,828	43,905,585	45,602,211
<u>Less</u> Future finance charges on finance leases	(23,577,407)	(25,396,184)	(22,785,419)	(24,475,552)
Present value of finance lease liabilities	22,485,161	22,635,644	21,120,166	21,126,659

The present value of finance lease liabilities is due as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Not later than 1 year	141,527	116,355	105,983	6,493
Later than 1 year but not later than 5 years	1,677,113	1,317,036	1,101,675	815,932
Later than 5 years	20,666,521	21,202,253	19,912,508	20,304,234
	22,485,161	22,635,644	21,120,166	21,126,659

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	Unit: Baht		
	Consolidated financial statements		
	Finance lease payables	Deferred interest	Finance lease liabilities
At 1 January 2018	234,880,469	(29,933,813)	204,946,656
Cash outflows:			
Repayment - principal	(182,311,012)	-	(182,311,012)
Repayment - interest	(4,537,629)	-	(4,537,629)
Non-cash changes:			
Amortised deferred interest	-	4,537,629	4,537,629
At 31 December 2018	48,031,828	(25,396,184)	22,635,644
At 1 January 2019	48,031,828	(25,396,184)	22,635,644
Cash outflows:			
Repayment - principal	(150,482)	-	(150,482)
Repayment - interest	(1,818,777)	-	(1,818,777)
Non-cash changes:			
Amortised deferred interest	-	1,818,777	1,818,777
At 31 December 2019	46,062,569	(23,577,407)	22,485,162

	Unit: Baht		
	Separate financial statements		
	Finance lease payables	Deferred interest	Finance lease liabilities
At 1 January 2018	47,298,836	(26,166,165)	21,132,671
Cash outflows:			
Repayment - principal	(6,012)	-	(6,012)
Repayment - interest	(1,690,613)	-	(1,690,613)
Non-cash changes:			
Amortised deferred interest	-	1,690,613	1,690,613
At 31 December 2018	45,602,211	(24,475,552)	21,126,659
At 1 January 2019	45,602,211	(24,475,552)	21,126,659
Cash outflows:			
Repayment - principal	(6,493)	-	(6,493)
Repayment - interest	(1,690,133)	-	(1,690,133)
Non-cash changes:			
Amortised deferred interest	-	1,690,133	1,690,133
At 31 December 2019	43,905,585	(22,785,419)	21,120,166

21 Borrowings (Cont'd)

Bank borrowings

The movements in bank borrowings can be analysed as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Opening balance	971,000,000	1,559,000,000	971,000,000	1,559,000,000
Repayments	(588,000,000)	(588,000,000)	(588,000,000)	(588,000,000)
Closing balance	383,000,000	971,000,000	383,000,000	971,000,000
Maturity of bank borrowings is as follows:				
Within 1 year	383,000,000	588,000,000	383,000,000	588,000,000
Between 1 year and 2 years	-	383,000,000	-	383,000,000
	383,000,000	971,000,000	383,000,000	971,000,000

As at 31 December 2019, long-term bank borrowings bear interest at the rates ranging from 2.85% to 3.04% per annum (2018: 2.85% to 3.04% per annum).

Debentures

The Company issued a straight, unsecured and unsubordinated Baht debentures at face value of Baht 1,000 per unit. Details of the debentures are as follows:

Term	Issue date	Maturity date	Debentures Baht Million	Fixed interest rate (%) per annum
5 years	12 September 2017	12 September 2022	1,000	2.80
4 years	6 October 2017	6 October 2021	500	2.49

Interest is due for payment every six-month periods. The Company has maintained the debt to equity ratio at the ratio stipulated in the prospectus.

There was no movement in debentures during 2019.

Borrowing facilities

As at 31 December 2019, the available credit facilities from financial institutions of the Group and the Company are Baht 4,553.46 million, and Baht 4,325.46 million, respectively, (2018: Baht 5,470.89 million, and Baht 5,040.88 million, respectively). The facilities expiring within 3 years are subjected to review when due and are purposed to be used for construction of theaters and for working capital.

22 Other current liabilities

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Undue output value added tax	34,438,215	32,745,788	6,666,847	8,841,925
Provision for customers loyalty program	8,230,509	8,410,673	8,230,509	8,410,673
Provision for goods returns	150,000	1,945,057	-	-
Others	73,216,209	58,876,985	39,087,803	34,163,040
	116,034,933	101,978,503	53,985,159	51,415,638

23 Employee benefit obligations

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Statement of financial position				
Retirement benefits				
- Legal severance pay	66,411,867	52,146,942	47,121,488	36,001,833
- Post-employment benefits	7,633,838	6,664,915	5,126,509	4,301,189
Other long-term employee benefits	3,348,655	2,564,880	2,209,232	1,674,526
Liability in the statement of financial position	77,394,360	61,376,737	54,457,229	41,977,548
Profit or loss charge included in operating profit for:				
Settlement benefits				
- Legal severance pay	16,239,317	11,549,707	12,016,895	7,751,281
- Post-employment benefits	1,789,710	6,664,915	1,309,700	4,301,189
Other long-term employee benefits				
- Service cost and interest cost	442,289	2,564,880	294,408	1,674,526
- Remeasurement	357,945	-	240,298	-
	18,829,261	20,779,502	13,861,301	13,726,996
Profit or loss charge included in other comprehensive income for:				
- Remeasurement of Legal severance pay	3,980,389	5,319,107	2,667,822	6,145,766

Retirement benefits

Retirement benefits 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.

In 2018, the Group has provided a new retirement benefit which is Post-employment Benefit Plan (PEB) that provides 3 Baht weight of gold for all employees who render services until the retirement age.

Legal severance pay

The movement in the legal severance pay during the year is as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
As at 1 January	52,146,942	38,894,800	36,001,833	24,908,376
Past service cost	8,509,576	7,103,698	6,895,323	5,082,367
Current service cost	6,454,615	3,506,097	4,238,097	2,041,667
Interest expense	1,275,126	939,912	883,475	627,247
Benefit paid	(5,937,477)	(3,616,672)	(3,565,062)	(2,803,590)
Disposal in investment in subsidiary	(17,304)	-	-	-
	62,431,478	46,827,835	44,453,666	29,856,067
Remeasurements				
Loss from change in demographic assumptions	-	729,310	-	518,711
Loss (gain) from change in financial assumptions	3,980,389	(120,381)	2,667,822	(64,081)
Experience loss	-	4,710,178	-	5,691,136
	3,980,389	5,319,107	2,667,822	6,145,766
As at 31 December	66,411,867	52,146,942	47,121,488	36,001,833

In 2019, an amendment bill to Labour Protection Law became effective. The main amendment is that the compensation for employees who retire and have more than or equal to 20 years of service has changed from 300 days to 400 days of the last wage. The effects of the amendment was recognised as past service cost during 2019.

23 Employee benefit obligations (Cont'd)

The significant actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	%	%	%	%
Discount rate	1.30 - 2.16	2.14 - 2.19	2.19	2.19
Salary growth rate	3.50 - 9.00	3.50 - 9.00	3.50 - 9.00	3.50 - 9.00
Turnover rate	0.00 - 37.00	0.00 - 37.00	0.00 - 37.00	0.00 - 37.00

Sensitivity analysis for each significant assumption used is as follows:

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018	2019	2018
Discount rate	0.5%	0.5%	Decrease by 2%	Decrease by 2%	Increase by 2%	Increase by 3%
Salary growth rate	0.5%	0.5%	Increase by 2%	Increase by 2%	Decrease by 2%	Decrease by 2%
Turnover rate	10%	10%	Decrease by 7%	Decrease by 7%	Increase by 9%	Increase by 8%

Post-employment benefit

The movement in the post-employment benefit the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Unit: Baht			
As at 1 January	6,664,915	-	4,301,189	-
Past service cost	(118,544)	6,664,915	-	4,301,189
Current service cost	1,768,601	-	1,218,487	-
Interest expense	139,653	-	91,213	-
Benefit paid	(819,844)	-	(484,380)	-
Disposal of investment in subsidiary	(943)	-	-	-
As at 31 December	7,633,838	6,664,915	5,126,509	4,301,189

The significant actuarial assumptions used were as follows:

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Discount rate	%	2.00 - 2.13	2.00 - 2.13	2.13	2.13
Gold price	Baht per 1 Baht weight of gold	20,000	20,000	20,000	20,000
Gold growth rate	%	3.50	3.50	3.50	3.50
Turnover rate	%	0.00 - 37.00	0.00 - 37.00	0.00 - 37.00	0.00 - 37.00

Sensitivity analysis for each significant assumption used is as follow:

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018	2019	2018
Discount rate	5%	0.5%	Decrease by 2%	Decrease by 2%	Increase by 2%	Increase by 2%
Gold growth rate	5%	0.5%	Increase by 2%	Increase by 2%	Decrease by 2%	Decrease by 2%
Turnover rate	10%	10%	Decrease by 6%	Decrease by 6%	Increase by 7%	Increase by 7%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefit liability 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	A decrease in Government bond yields will increase plan liabilities. Although the increase in the value of bonds held by the project is partially compensated.
Inflation risk	Some of the Group retirement benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

The average duration of the defined benefit obligation is 9 years (2018: 10 years).

Expected maturity analysis of undiscounted retirement and post-employment medical benefits:

	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2019					
Retirement benefits					
- Legal severance pay	5,159,314	9,818,525	14,984,529	75,405,336	105,367,704
- Post-employment benefits	864,601	862,035	1,490,527	7,732,754	10,949,917
Other long-term employee benefits	523,103	636,508	1,815,098	2,610,971	5,585,680
At 31 December 2018					
Retirement benefits					
- Legal severance pay	22,100,738	4,904,498	16,730,291	68,368,701	112,104,228
- Post-employment benefits	4,319,692	864,601	1,703,293	8,482,628	15,370,214
Other long-term employee benefits	360,000	523,103	1,936,072	3,170,537	5,989,712
	Separate financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2019					
Retirement benefits					
- Legal severance pay	4,411,433	4,658,476	10,264,232	49,400,349	68,734,490
- Post-employment benefits	710,267	582,593	978,618	5,086,783	7,358,261
Other long-term employee benefits	340,586	478,016	1,164,591	1,804,124	3,787,317
At 31 December 2018					
Retirement benefits					
- Legal severance pay	16,547,657	4,156,617	8,825,988	44,357,777	73,888,039
- Post-employment benefits	2,733,390	710,267	1,109,640	5,538,354	10,091,651
Other long-term employee benefits	195,000	340,586	1,323,901	2,122,830	3,982,317

24 Other non-current liabilities

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deposit received	261,603,159	264,187,065	40,446,237	43,142,740
Rental income received in advance	51,378,979	62,502,656	-	-
Subsidy for construction received	204,186,915	190,696,883	185,284,722	173,280,592
Others	43,698,858	43,698,858	43,698,857	43,698,858
	<u>560,867,911</u>	<u>561,085,462</u>	<u>269,429,816</u>	<u>260,122,190</u>

During 2019, the Company received subsidy for construction from the lessors amounting to Baht 11 million in consolidated and separate financial statements, respectively. The subsidy is recognised as a discount to rental over the lease periods.

25 Share capital and premium on share capital

	Authorised number of shares	Issued and fully paid-up		
		Number of shares	Ordinary shares Baht	Share premium Baht
As at 1 January 2018	896,266,347	894,667,502	894,667,502	4,055,609,113
As at 31 December 2018	896,266,347	894,667,502	894,667,502	4,055,609,113
As at 1 January 2019	896,266,347	894,667,502	894,667,502	4,055,609,113
Capital reduction	(1,598,845)	-	-	-
As at 31 December 2019	894,667,502	894,667,502	894,667,502	4,055,609,113

On 10 April 2019, the shareholders of the Company approved to decrease the registered shares capital reducing from 896,266,347 shares to 894,667,502 with a par value of Baht 1.00 each, by cancelling the 1,598,845 un-paid ordinary shares with a par value of Baht 1.00 each. The decrease in share capital was registered with the Ministry of Commerce on 24 April 2019.

Share premium - Treasury share

During 2009, the Company repurchased 40.91 million shares from third parties through the Stock Exchange of Thailand. The total amount paid to repurchase of the shares was Baht 267.92 million which has been presented as treasury shares under the equity. The treasury shares are held for reissuance at a later date. The Company allocated retained earnings as a reserve for treasury shares amounting to Baht 267.92 million in accordance with section 66/1(2) of the Security and Exchange Act B.E. 2535 which requires the Company to set aside retained earnings as reserve.

During 2011, the Company sold all treasury shares for the considerations of Baht 556.34 million, gain from disposal of treasury shares amounting to Baht 288.42 million is recognised as "Share premium - treasury shares" under equity.

26 Warrants

The Company issued and offered grants of warrants to employees ("ESOP") of the Company and its subsidiaries, which are in registered form and are non-transferable. The warrants have no offering price and their terms do not exceed 5 years from the issued date.

The exercise ratio and price on grant date are detailed below:

	Grant date	Issued units Million	Exercise Ratio unit/share	Exercise price Baht/unit	Exercise period	
					Start	End
MPIC-ESOP-W2	24 April 2015	13.00	1:1.00	1.84	30 June 2017	23 April 2020

26 Warrants (Cont'd)

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	Consolidated financial statements	
	Average exercise price Baht per share	Option
As at 1 January 2018	1.84	8,058,760
Forfeited		
by the subsidiary ESOP - W2	-	(2,729,580)
As at 31 December 2018	1.84	5,329,180
As at 1 January 2019	1.84	5,329,180
Forfeited		
by the subsidiary ESOP - W2	-	(1,039,840)
As at 31 December 2019	1.84	4,289,340

During 2019, there was no option exercised and there were forfeited 1,039,840 shares (2018: no option exercised and there were forfeited 2,729,580 shares)

During 2019, there is no change in the condition of warrants of MPIC-ESOP-W2.

Share options outstanding at the end of the period have the following expiry date and exercise price:
As at 31 December 2019, the Company has no costs related to warrants for purchasing ordinary shares.

	Consolidated financial statements	
	Average exercise price Baht per share	Shares
MPIC-ESOP-2 Expired date:		
23 April 2020		
31 December 2018	1.84	5,329,180
31 December 2019	1.84	4,289,340

The assumptions of valuation model as follows:

Condition of warrants	ESOP - W2
Exercise price (Baht per share)	1.84
Exercise ratio (Unit per share)	1:1.00
Variable used in Black - Scholes model	
Fair value of warrant (Baht per option)	0.80
Volatility (%)	50.45
Dividend yield (%)	0.96
Weighted average share price at the grant date (Baht per share)	1.82
Expected option life (year)	5.00
Risk-free interest rate (%)	2.18

27 Legal reserve

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 of the Company. The reserve is non-distributable.

28 Non-controlling interests

	Unit: Baht	
	Consolidated financial statements	
	2019	2018
Opening balance	122,533,842	85,213,104
Addition of investment in subsidiary	12,000,000	134,900
Disposal of investment in subsidiary	(155,101)	21,485,833
Share of profit from subsidiaries	16,731,803	15,700,005
Closing balance	151,110,544	122,533,842

Comprehensive income of non-controlling interests for the year amounting to Baht 16.73 million mainly consists of Baht 19.28 million from Major Platinum Cineplex (Cambodia) Company Limited.

29 Contract liabilities

The Group has recognised the following liabilities related to contracts with customers:

Revenue recognised in the current reporting period relates to carried-forward contract liabilities are Baht 392.92

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Contract liabilities				
- Current	545,327,921	392,922,428	435,376,465	338,727,500
- Non-current	20,667,803	27,435,096	-	-
Total contract liabilities	565,995,724	420,357,524	435,376,465	338,727,500

million and Baht 338.72 million in the consolidated and separate income statements, respectively.

Contract liabilities included cash advanced from customers amounting to Baht 37.37 million (2018: Baht 56.43 million), which received from selling of cash cards, being deposited at banks. In order to comply with the Notification of the Bank of Thailand applicable to the electronic card business, the balance of the deposit has to be maintained at the outstanding value of the cash cards on hands of the customers as the minimum.

30 Other operating income

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Dividends income	-	-	889,262,779	1,051,835,092
Gain on disposals of investment in subsidiary	3,526	-	-	-
Gain on disposals of investments in associate	32,268,943	285,701,508	39,019,802	318,144,406
Gain on disposals of available-for-sale investment	-	43,265,431	-	43,265,431
Management fee income	41,744,450	37,189,896	61,189,950	52,510,452
Interest income	7,583,832	6,352,870	31,007,191	38,398,188
Gain (loss) on exchange rate	(7,860,867)	5,226,114	(4,019,947)	9,116,244
Income from property tax	19,654,058	19,387,149	1,500,288	1,516,667
Insurance claims	413,755	2,325,791	413,755	2,257,046
Others	56,366,797	57,146,018	36,490,403	25,936,015
	<u>150,174,494</u>	<u>456,594,777</u>	<u>1,054,864,221</u>	<u>1,542,979,541</u>

31 Expenses by nature

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Depreciation of property and equipment (Note 14)	1,048,936,045	1,071,542,548	663,420,709	615,792,110
Amortisation of intangible assets				
- Film rights (Note 16)	247,328,252	172,157,290	-	-
- Computer software (Note 16)	23,835,095	20,932,725	20,045,211	17,249,428
Amortisation of prepaid rents	48,777,904	45,347,890	23,923,915	20,493,901
Impairment of investment in subsidiaries and associates (Notes 11 and 12)	-	-	13,100,000	43,374,326
Impairment of goodwill (Note 15)	55,000,000	52,450,000	-	-
Impairment of assets (Notes 14 and 16)	84,567,974	21,563,464	-	2,110,904
Repairs and maintenance expenditure	200,225,264	158,770,704	143,883,782	114,793,442
Staff costs	1,265,600,849	1,216,195,108	821,263,396	763,999,555
Loss on write-off of plant and equipment	7,690,022	12,559,914	7,498,677	2,577,663
Doubtful debts and bad debts	32,879,037	2,389,276	18,172,499	-
Loss on impairment in films under production	10,000,000	-	-	-
Loss on diminution in value of inventories	3,409,242	13,127,350	491,363	18,000,000
Provision for sales returns (reversal)	(1,795,057)	-	-	-
Inventory				
- Cost of inventories recognised as expense (included in "Cost of sales")	679,778,465	618,573,308	528,319,061	461,002,850

32 Finance costs

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank borrowings	55,447,261	63,103,515	53,001,738	59,888,002
Borrowings from subsidiaries and associates	312,312	395,518	51,358,567	53,024,485
Finance lease	1,818,777	4,157,612	1,690,133	1,690,614
Debentures	40,450,000	40,450,000	40,450,000	40,450,000
Others	50,540	83,557	-	-
Total finance cost	98,078,890	108,190,202	146,500,438	155,053,101

33 Income tax

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current tax:				
Current tax	289,174,578	312,692,004	109,212,969	180,487,234
Adjustments in respect of prior year	(95,180)	1,691,352	-	(2,294,728)
Total current tax	289,079,398	314,383,356	109,212,969	178,192,506
Deferred tax:				
Origination and reversal of temporary differences (Note 17)	(10,724,936)	(41,275,098)	8,082,350	(1,970,241)
Total tax expense	278,354,462	273,108,258	117,295,319	176,222,265

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit before tax	1,475,903,794	1,572,398,083	1,477,947,816	1,905,487,087
Tax calculated at a tax rate of 20% and 15% (2018: 20% and 15%)	295,180,758	314,349,609	295,589,563	381,097,417
Tax effect of:				
Associate and joint ventures results reported net of tax	(58,787,853)	(52,468,243)	-	-
Income not subject to tax	-	-	(177,852,556)	(210,367,018)
Expenses not deductible for tax purpose	45,750,311	25,427,922	21,273,548	29,252,660
Expense that are deductible at a greater amount from actual expenses	(26,139,770)	(26,015,839)	(21,715,236)	(21,466,066)
Utilisation of previously unrecognised tax losses	(4,286,923)	(2,730,472)	-	-
Tax losses for which no deferred income tax asset was recognised	27,430,304	5,433,713	-	-
Unrealised losses (gain) from intercompany transaction	(349,830)	6,490,080	-	-
Difference in overseas tax rate	(137,955)	370,324	-	-
Effect from exchange rate	(209,400)	559,812	-	-
Adjustment in respect of prior year	(95,180)	1,691,352	-	(2,294,728)
Tax charge	278,354,462	273,108,258	117,295,319	176,222,265

34 Earnings per share

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

The Group has potential dilutive ordinary shares which are warrants (Note 26). During 2019, fair value of shares is less than exercise price. Therefore, dilutive earnings per share is equal to basic earnings per share.

The basic earnings per share are as follows:

Consolidated financial statements						
For the years ended 31 December	Profit Baht		Weighted average number of shares shares		Earnings per share Baht	
	2019	2018	2019	2018	2019	2018
	1,170,028,052	1,283,589,820	894,667,502	894,667,502	1.31	1.43
Basic earnings per share						
Separate financial statements						
For the years ended 31 December	Profit Baht		Weighted average number of shares shares		Earnings per share Baht	
	2019	2018	2019	2018	2019	2018
	1,360,652,496	1,729,264,822	894,667,502	894,667,502	1.52	1.93
Basic earnings per share						

35 Dividends

2019

At the Annual General Shareholders Meeting held on 10 April 2019, the shareholders passed a resolution to approve dividends payment in respect of the operation results for the period from July to December 2018 at Baht 0.70 per share, totaling Baht 626.27 million. The dividends would be distributed to the shareholders listed in the register on 24 April 2019 and were distributed to the shareholders on 3 May 2019.

At the Board of Directors Meeting held on 9 August 2019, the Board passed a resolution to approve interim dividends payment in respect of the operation results for the period from January to June 2019 at Baht 0.65 per share, totaling Baht 581.53 million. The dividends would be distributed to the shareholders listed in the register on 26 August 2019 and were distributed to the shareholders on 4 September 2019.

2018

At the Annual General Shareholders Meeting held on 5 April 2018, the shareholders passed a resolution to approve dividends payment in respect of the operation results for the period from July to December 2017 at Baht 0.60 per share, totaling Baht 536.80 million. The dividends would be distributed to the shareholders listed in the register on 20 April 2018 and were distributed to the shareholders on 3 May 2018.

At the Board of Directors Meeting held on 10 August 2018, the Board passed a resolution to approve interim dividends payment in respect of the operation results for the period from January to June 2018 at Baht 0.65 per share, totaling Baht 581.53 million. The dividends would be distributed to the shareholders listed in the register on 30 August 2018 and were distributed to the shareholders on 7 September 2018.

36 Cash flows from operating activities

Reconciliation of net profit to cash flows from operating activities:

	Notes	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit before income tax		1,475,903,794	1,572,398,083	1,477,947,816	1,905,487,087
Adjustments for:					
Depreciation and amortisation	31	1,320,099,392	1,264,632,563	683,465,920	633,041,538
Amortisation of prepaid rent	31	48,777,904	45,347,890	23,923,915	20,493,901
Doubtful accounts and bad debts	31	32,879,037	2,389,276	18,172,499	-
Loss on diminution in value of inventories	31	3,409,242	13,127,350	491,363	18,000,000
Loss on impairment in films under production		10,000,000	-	-	-
Provision for sales returns (reversal)		(1,795,057)	-	-	-
Loss on impairment of assets	31	84,567,974	21,563,464	-	2,110,904
Loss on impairment of goodwill	31	55,000,000	52,450,000	-	-
Loss on impairment of investment in subsidiaries		-	-	13,100,000	43,374,326
Loss (gain) on disposals of property, plant and equipment		13,232,068	6,355,720	1,767,340	1,062,488
Gain on disposals of intangible assets		2	20,171	-	-
Loss on write-off of property, plant and equipment	31	7,690,022	12,559,914	7,498,677	2,577,663
Loss on write-off of intangible assets	16	5,109,189	12,277,644	1	-
Loss from amortization of films under production		-	8,045,184	-	-
Shares of profit from associates and joint ventures	12,13	(293,939,263)	(262,341,211)	-	-
Gain on disposals of investment in associates	12	(32,268,943)	(285,701,508)	(39,019,802)	(318,144,406)
Gain on disposals of investment in joint venture		(3,526)	-	-	-
Gain on disposal of available-for-sale of investment		-	(43,265,431)	-	(43,265,431)
Provision for loyalty program		(180,164)	(2,311,093)	(180,164)	(2,311,093)
Provision for employee benefit	23	18,817,148	20,779,502	13,861,301	13,726,996
Unrealised (gain) loss on exchange rate		4,966,326	5,713,700	2,181,210	(2,557,261)
Dividends received	30	-	-	(889,262,779)	(1,051,835,092)
Interest income	30	(7,583,832)	(6,352,870)	(31,007,191)	(38,398,188)
Finance costs	32	98,078,890	108,190,202	146,500,438	155,053,101
Changes in operating assets and liabilities:					
- trade account and other receivable		97,338,029	(69,620,375)	221,228,530	(161,945,949)
- inventories		2,448,613	(997,597)	10,550,808	(2,814,296)
- films under production		(158,367,490)	(102,651,820)	-	-
- other current assets		6,970,833	19,331,798	(724,220)	(738,234)
- receivables under finance lease agreements		1,297,293	1,207,630	-	-
- other non-current assets		(23,518,571)	92,406,970	(19,585,729)	40,451,185
- trade account and other payables		(92,385,019)	439,623,694	(53,632,005)	368,667,999
- contract liabilities		145,638,200	46,748,168	96,648,965	56,017,630
- other current liabilities		23,583,495	34,758,326	2,775,016	17,415,992
- other non-current liabilities		(18,884,844)	82,955,563	(2,692,374)	99,708,671
- Employee benefit obligations		(6,757,321)	(3,616,672)	(4,049,442)	(2,803,590)
Cash flows from operating activities		2,820,123,421	3,086,024,235	1,679,960,093	1,752,375,941

37 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 Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group 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.

Other related companies are companies belonging to directors and directors' family of the Company and is therefore related parties.

Pricing policies for related party transactions are as follows:

The following transactions were carried out with related parties:

	Pricing policies
Advertising fees	Agreed prices as stipulated in the agreements
Film rights	Agreed prices as stipulated in the agreements
Rental and services	Agreed prices which approximate to market price
Interest charge	Agreed rates at 1.00% per annum to 4.60% per annum
Management fees	Agreed prices as stipulated in the agreements

- i) Sales of goods and services and others
- ii) Purchase of goods and services and others

	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Sales of goods and services				
Subsidiaries	-	-	361,009	414,285
Associates	57,238	794	240	-
Leasehold property fund	60,434	57,789	36,893	35,466
Joint ventures	15,243	8,528	-	-
Joint operation	3,052	656	-	-
Related parties	97,335	50,121	34,107	9,434
	<u>233,302</u>	<u>117,888</u>	<u>432,249</u>	<u>459,185</u>
Dividend income				
Subsidiaries	-	-	724,712	827,386
Associates	-	129,161	76,342	129,161
Leasehold property fund	-	95,288	88,209	95,288
	<u>-</u>	<u>224,449</u>	<u>889,263</u>	<u>1,051,835</u>

	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Purchases of goods and services				
Subsidiaries	-	-	216,358	315,318
Associates	57,257	25,885	23,059	21,638
Leasehold property fund	185,593	178,559	141,302	134,525
Joint ventures	7,854	4,159	-	-
Joint operation	7,413	6,313	-	-
Related parties	151,556	154,605	173,283	151,696
	<u>409,673</u>	<u>369,521</u>	<u>554,002</u>	<u>623,177</u>

37 Related-party transactions (Cont'd)

iii) Outstanding balances arising from sales/purchases of goods/services and others

	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable (include unbilled revenue)				
Subsidiaries	-	-	143,733	105,359
Associates	20,219	148	4,501	-
Leasehold property fund	1,582	2,172	32	26
Joint ventures	7,877	4,556	-	-
Joint operation	2,150	895	-	-
Related parties	36,370	19,686	17,061	1,441
	<u>68,198</u>	<u>27,457</u>	<u>165,327</u>	<u>106,826</u>
Amounts due from related parties				
Subsidiaries	-	-	176,848	332,236
Associates	9,167	9,368	1,267	1,498
Leasehold property fund	7,548	16,030	7,548	16,005
Joint ventures	407	3,738	-	-
Joint operation	11	-	-	-
Related parties	11,834	2,197	10,516	500
Dividend receivable				
Subsidiaries	-	-	-	399,720
	<u>28,967</u>	<u>31,333</u>	<u>196,179</u>	<u>749,959</u>
Deposit (included in "Other non-current assets")				
Associates	2,221	5,421	389	389
Leasehold property fund	3,460	3,460	3,460	3,460
Related parties	26,129	26,129	25,829	25,829
	<u>31,810</u>	<u>35,010</u>	<u>29,678</u>	<u>29,678</u>

37 Related-party transactions (Cont'd)

iii) Outstanding balances arising from sales/purchases of goods/services and others (Cont'd)

	Unit: Baht'000			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade accounts payable (included in "Trade accounts and notes payable")				
Subsidiaries	-	-	85,799	108,537
Associates	3,809	1	1	1
Leasehold property fund	-	257	-	-
Joint ventures	19,408	7,378	-	-
Joint operation	1,841	-	-	-
Related parties	864	2,806	7,051	2,598
	<u>25,922</u>	<u>10,442</u>	<u>92,851</u>	<u>111,136</u>
Other payables (included in "Amounts due to related parties")				
Subsidiaries	-	-	65,433	105,393
Associates	76,804	24,293	59,190	23,753
Leasehold property fund	447	1,334	27	696
Joint ventures	355	6,248	-	-
Joint operation	50	840	-	-
Related parties	20,585	31,428	11,441	10,719
Board	5,033	4,849	3,931	3,774
	<u>103,274</u>	<u>68,992</u>	<u>140,022</u>	<u>144,335</u>
Advance received for rental and services (included in "Other non-current liabilities")				
Leasehold property fund	21,819	22,866	-	-
Related parties	6,517	8,028	-	-
	<u>28,336</u>	<u>30,894</u>	<u>-</u>	<u>-</u>
Deposits received (included in "Other non-current liabilities")				
Subsidiaries	-	-	1,403	1,253
Leasehold property fund	123,503	123,503	-	-
Joint ventures	-	483	-	-
Related parties	5,531	5,531	-	-
	<u>129,034</u>	<u>129,517</u>	<u>1,403</u>	<u>1,253</u>
Finance lease liabilities (included in "Long-term borrowings from financial institutions")				
Leasehold property fund	21,120	21,127	21,120	21,127
	<u>21,120</u>	<u>21,127</u>	<u>21,120</u>	<u>21,127</u>

37 Related-party transactions (Cont'd)

iv) Short-term loans to related parties

For the years ended 31 December	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Subsidiaries				
Opening balance	1,304	5,000	289,277	394,601
Loans advanced during the year	963	10,804	418,287	597,171
Loans repayments during the year	(1,804)	(14,500)	(467,850)	(702,495)
Closing balance	463	1,304	239,714	289,277

The short-term loans to related parties are loans to subsidiaries. Loans are repayable within 1 month and carrying interest rate of 4.00% per annum.

The related interest income was Baht 10.37 million (2018: Baht 13.54 million). As at 31 December 2019, the accrued interest income was Baht 0.79 million (2018: Baht 0.97 million).

v) Long-term loans to related parties

For the years ended 31 December	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Subsidiaries and associates and employees				
Opening balance	1,802	1,827	271,585	271,610
Loans advanced during the year	1,900	-	1,900	-
Loans repayments during the year	(500)	(25)	(45,500)	(25)
Closing balance	3,202	1,802	227,985	271,585

The loans to related parties are carrying interest at the rate ranging from 2.00% to 4.00% per annum (2018: 4.00% per annum) and there is no specific repayment date.

The long-term loans to staff in the consolidated and separate financial statements were Baht 3.20 million and Baht 2.98 million (2018: Baht 1.80 million and Baht 1.58 million), respectively, bearing no interest rate (2018: nil).

The related interest income was Baht 8.68 million (2018: Baht 10.81 million). As at 31 December 2019, the accrued interest income was Baht 108.15 million (2018: Baht 101.50 million).

37 Related-party transactions (Cont'd)

vi) Short-term loans from related parties

For the years ended 31 December	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Subsidiaries and associates				
Opening balance	14,500	15,900	1,411,026	1,262,776
Loans borrowed during the year	-	-	3,105,688	2,932,452
Loans repaid during the year	(1,700)	(1,400)	(3,549,289)	(2,784,202)
Closing balance	12,800	14,500	967,425	1,411,026

The short-term loans from related parties are loans from subsidiaries. As at 31 December 2019, the unsecured loans of Baht 954.63 million are repayable within 1 month and carrying interest rate of 4.00% per annum. A promissory note due upon demand of Baht 12.80 million bears interest rate of 2.25% per annum.

The related interest expense was Baht 0.31 million and Baht 51.36 million, respectively (2018: Baht 0.40 million and Baht 53.02 million). As at 31 December 2019, the accrued interest expense was Baht 0.10 million and Baht 4.06 million, respectively (2018: Baht 0.11 million and Baht 18.12 million).

vii) Key management compensation

viii) Investments in subsidiaries, associates and joint ventures

For the years ended 31 December	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	61,387	52,015	44,990	42,883
Retirement benefits	871	346	703	264
	62,258	52,361	45,693	43,147

Details of investments in subsidiaries, associates and joint ventures are set out in Notes 11, 12 and 13, respectively.

38 Commitments and contingencies

i) Bank guarantees and letter of credits

As at 31 December 2019, the Group has outstanding bank guarantees and letters of credit amounting to Baht 230.52 million given to third parties.

ii) Guarantees

As at 31 December 2019, the Company and a subsidiary have provided guarantees for bank loans granted to subsidiaries and associates for a total of Baht 22 million.

38 Commitments and contingencies (Cont'd)

iii) Operating lease commitments - where the Group is the lessee

The Company and its subsidiaries have commitment obligations in terms of long-term lease of land, buildings and service contracts. The future aggregate non-cancellable minimum lease and service payments under the contracts are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Not later than 1 year	1,035	963	664	594
Later than 1 year but not later than 5 years	3,642	3,691	2,479	2,351
Later than 5 years	6,620	6,894	5,317	5,461
	11,297	11,548	8,460	8,406

In addition to the minimum lease and service payments, the Group also has obligations in respect of lease of buildings and service contracts based on revenue sharing with the lessors.

iv) Capital commitments

Capital expenditure contracted for at the statement of financial position date, but not recognised in the financial statements is presented as follows:

		Unit: 000			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Property, plant and equipment	THB	57,446	75,389	57,446	75,389
	USD	296	783	-	-
Total	THB	57,446	75,389	57,446	75,389
	USD	296	783	-	-
Total in Thai Baht		66,435	100,920	57,446	75,389

v) Commitment for film productions

As at 31 December 2019, the Group has commitments in respect of payments to film directors amounting to Baht 90.85 million (2018: Baht 68.36 million).

39 Litigation

In 2017, the insurers of damaged parties from the fire accident at Major Cineplex Theater (Pinklao Branch) as the plaintiffs sued the Company for causing of damages. During 2018, the Civil court of the first instance rendered the verdict in favor of the plaintiffs. The Company is required to compensate the plaintiffs for Baht 408 million. Nevertheless, the Company is in the process of the Appeal court and the outcome is not yet known. The Company believes that there will be no material loss arising from the lawsuits. However, certain provision has been provided.

On 12 February 2020, the Appeal court rendered the verdict in favor of one insurer of damaged parties. The Company is required to compensate the plaintiff for Baht 10.7 million, including the claim and interest thereon. The Company is in the process of filing to the Supreme court.

40 Events after the reporting date

At the Board of Directors Meeting held on 18 February 2020, the Board approved dividends in respect of the operating results for the period from July to December 2019 at Baht 0.70 per share, totaling Baht 626.27 million. The dividends will be distributed to shareholders listed in the register on 23 April 2020.

