

# Annual Report 2020



Major Cineplex Group Public Company Limited





# VISION & MISSION 2020



## GROWTH STRATEGY

• 1,200

SCREENS IN YEAR 2025  
COVERAGE 77 PROVINCES

• 50%

THAI MOVIES MARKET SHARE  
(TOLLYWOOD)

• MAJOR 5.0

• SUPER APPLICATION

• A.I & M.I

• BIG DATA



## HAPPY INDEX

• CUSTOMER  
JOURNEY INDEX

• EMPLOYEE  
HAPPY INDEX



## SOCIAL ENTERPRISE

• MAJOR CARE  
SOCIAL GIVING

• GREEN CINEMA  
ENVIRONMENT CARE

# Contents

**03**

The Proud

**04**

Financial Highlights

**05**

Milestone

**06**

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

**08**

Report of  
the Audit Committee

**10**

Report of the Nomination and  
Remuneration Committee

**11**

Report of the Risk  
Management Committee

**13**

Report of the Corporate  
Governance Committee

**15**

Directors

**20**

Management Team

**22**

Organization Chart

**24**

Group Structure

**26**

General Information of  
the Company

**29**

Nature of Business

**36**

Strategic Investments

**37**

Risk Factors

**40**

Corporate Management  
Structure

**50**

Good Corporate Governance

**64**

Human Resources

**67**

Related Transactions

**77**

Major Shareholders

**78**

Shareholdings of the Board  
of Directors and Manage-  
ment

**79**

Corporate Social  
Responsibility

**82**

Responsibility Statement  
of the Board to the  
Financial Statement

**83**

Management Discussion  
& Analysis

**89**

Independence Auditor's  
Report , Financial  
Statement and Notes

# The Proud

## No.1 Cinema Awards in Thailand

No.1 Brand Thailand 2016-2020 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 2020

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.



## PRODUCT OF THE YEAR AWARDS 2020



The Company received the award for "PRODUCT OF THE YEAR AWARDS 2020", the number one of movie theater, Best Tourism and Leisure Group, honored by Mr. Chuan Leekpai, President of the National Assembly, organized by the College of Management Mahidol University, in collaboration with Business+ magazine, affiliated with ARIP Public Company Limited. The survey has been conducted based on academic principles from experts and voted by consumers.

## THAILAND TOP COMPANY AWARDS 2020

The Company received the THAILAND TOP COMPANY AWARDS 2020 Award, the most successful Thai business organization in entertainment and leisure Industry, from Business + magazine, a subsidiary of ARIP Public Company Limited, in collaboration with the University of the Thai Chamber of Commerce under the concept of "Smart Businesses for Future Societies".



## Thailand Sustainability Investment (THSI) 2020

The Company has been selected by the Stock Exchange of Thailand to be Thailand Sustainability Investment (THSI) 2020 that is committed to operating the business according to the concept of corporate development for sustainable growth.



## SET AWARDS 2020 "Best Investor Relations Awards"

The Company received the award "Best Investor Relations" of the year 2020, 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 organized by the Stock Exchange of Thailand in collaboration with the Journal of Finance and Banking.

## Outstanding Labour Relations and Labour Welfare Awards 2020

The Company received the Outstanding Company Awards for Labour Relations and Labour Welfare for 2 consecutive years (2019-2020), organized by the Ministry of Labour.

# Financial Highlights

As of December 31	2018 Restated	2019 Restated	2020
Revenue Bt.million	9,952	10,697	3,765
EBITDA Bt.million	2,991	3,602	784
Net profit Bt.million	1,284	1,407	(527)
EBITDA margin (%) )	30	34	21
Net margin (%)	13	13	(14)
Total assets Bt.million	17,771	17,868	17,678
Total liabilities Bt.million	10,494	10,388	11,052
Total equity Bt.million	7,277	7,480	6,626
Number of shares million	894.7	894.7	894.7
Book value Bt.	8.13	8.36	7.41
Earnings per share Bt.	1.43	1.57	(0.59)
Dividend per share Bt.	1.35	1.00	-
Dividend payout (%)	94.10	63.59	-
Net interest-bearing D/E	0.45	0.41	0.54
Return on assets (%)	10.64	11.35	(2.58)
Return on equity (%)	18.92	19.42	(7.64)

# Milestone

## In 2020, MAJOR continued impressive growth

### January 2020

- Opening of Major Cineplex at Mark Four Plaza, Prae with 3 theaters.

### March 2020

- Regarding the outbreak situation of the COVID-19 virus which is currently being apprehensive and tend to continuously widespread, the cabinet meeting has a resolution on 17 March 2020 to announce the preventive measures against the outbreak of COVID-19 by temporary closing all Cinemas, Bowling, Karaoke and Ice-skate in Bangkok and perimeters.
- As the government of Kingdom of Cambodia had announce the preventive measures against the outbreak of COVID-19 by temporary closing all the cinemas, Bowling, Karaoke and Ice-skate in Kingdom of Cambodia and perimeters from 17 March 2020.

### June 2020

- Cinema restarted its operation including Bowling, Karaoke and Ice-skate in Bangkok and perimeters since 1 June 2020.

### July 2020

- Major Cineplex Group Public Company Limited would like to inform that The Extraordinary General Meeting of Shareholders No.1/2020 held on dated 16 July 2020 of Tai Major Co., Ltd. (Subsidiary), the Company holds 60.00% of the registered capital.

- The Extraordinary General Meeting of Shareholders has resolved a special resolution to increase the registered capital from the existing registered capital of Baht 30,000,000 (300,000 Shares at the par value of Baht 100 per share) to be Baht 45,000,000 (450,000 Shares at the par value of Baht 100 per share) by issuing the number of share for 150,000 shares at the par value of Baht 100 per share to offer to the shareholders in proportion.

### August 2020

- On 28 August 2020, the Company sold all of its investment of 16,499 ordinary shares in Mtel (Thailand) Co.,Ltd. which operates on engages in the business of building developing software, including enterprise software application. The company hold shares 55 percent of Mtel (Thailand) Co.,Ltd.,s registered capital, the Company sells shares to other shareholder of such company.

### October 2020

- On 16 October 2020, Major Cineplex Group Public Company Limited would like to inform that Major Rewards Co.,Ltd., a subsidiary in which the Company owns 99.99% of the issued and paid up capital (engaging in business of CRM Loyalty Program, Electronic payment and Coupon Kiosks), had already registered its dissolution. Currently, this subsidiary is in liquidation process.

### December 2020

- Opening of Major Cineplex at Big-C Mahachai2, Samutprakarn with 2 theaters.



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

The year 2020 must be inscribed in the history of the Thai people and all the people of the world for the outbreak of Coronavirus 2019 (COVID-19) that has spread throughout all regions of the world causing enormous impact on life, economy and society. This resulted in the slowdown and halt of economic, including the severe negative impact to the income of many business sectors. It is a great crisis for humanity with an inconceivable loss.

The spread of coronavirus has affected the daily lives of people in society, lifestyle, social and business all over the world. On 18<sup>th</sup> March 2020, all the cinemas of our group of companies must be temporarily closed, including bowling alleys, karaoke and ice skating rinks under the Emergency Decree on Public Administration in Emergency Situations to control epidemics. Our revenue from all group of companies has decreased significantly. Although all the cinemas and other business have been approved for reopening since 1<sup>st</sup> June 2020, our business groups are still unable to operate at full capacity. The company's business has faced challenges and has been affected by the economic recession and lower consumer spending. The main factor is the spread of the COVID-19 virus which affected the company's performance inevitably.

From the above reasons, the Board of Directors and the executives have planned to implement the 3 T strategy (Trading / Thai Movie / Technology). The company has adjusted digital technology which is one of the 3T strategy in order to generate the company's growth. To modify business operations, the revenue growth has been increased by providing more channels of distribution for popcorn from in front of the cinemas to home delivery via online food delivery or online shopping applications. For promoting "Thai movies" business, especially Thai movies that our group of companies has joint ventures with various partners which has already been proven to be successful such as the movie revenue in the 4th quarter of "E-Riam Sing" which earned more than 200 million baht.

The business operation planning and technology implementation to reduce cost and cost reduction measures make the company the company be able to maintain the stability of accounting liquidity. The appropriate cost management and the attempt to reduce cost in every possible way lead the company to be able to go through this crisis as well as to ensure quality of services and safety when the customer using our services. The company also takes strategic actions consistent with the current world situations that constantly evolving both in terms of technology and consumer behavior.

In order to increase all stakeholders' confidence, the company has issued hygiene measures in shopping malls and cinemas to help prevent the spread of the COVID-19 virus effectively. In addition, the company focus on the hygiene and safety of our customers by strictly complying with international public health standards with advanced surveillance and safety protection. The company has cleaned and disinfected in all areas as well as intensely enhanced preventive control measures for cleanliness and safety by emphasizing social distancing and step into cashless society by paying through E-Payment system to ensure the confidence in using our services.



Moreover, the company has taken care of society affected by the COVID-19 outbreak by donating N95 face masks and Popcorn To Go to doctors, nurses and medical professional of Bamrasnaradura Infectious Diseases Institute and Ramathibodi Hospital for using while performing duties whose are the country's main force in dealing with the COVID-19 outbreak. The company also endowed revenue from selling popcorn and soft drinks Special Set to support the COVID-19 Vaccine Research Center of the Faculty of Medicine Chulalongkorn University. We continuously support various organizations in order to against or prevent the spread of COVID-19. In addition, Major Care Foundation has distributed survival bags to help flood victims who suffered and lack of consumer supplies as well as encouraged the victims who suffered by the flood.

The company intends to comply with good corporate governance as a guideline for conducting business on the basis of sustainable organizational development along with responsibilities to the economy, society, and environment involved under good corporate governance in order to strive and create sustainable value and results. This is to build confidence and acceptance of all stakeholders and to operate sustainable business for long term business growth including to give importance in activities related to social and environmental responsibility along with various projects and activities. In 2020, the company proud to be selected into the list of sustainable stocks (Thailand Sustainability Investment (THSI)) from the Stock Exchange of Thailand.

Lastly, on behalf of the Board of Directors and the executives, I would like to express my gratitude to all customers for using our service, to all employees for the determination, concentration and hard working for the company and to the shareholders, business partners, financial institutions, various departments of the public and private sectors, all stakeholders for the support and trust that you all have consistently given us over the years. I am confident that these collaboration will lead us to overcome this difficult situation very soon.



**Mr. Somchainuk 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 2020, the Audit Committee held seven meetings. In such meetings, the Committee met the Company's Management, Head of Internal Auditor and External Auditors, in which one meeting was held independently with the external auditors without the presence of the Company's Management.

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 2020 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 2020 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.
7. In revision of the enterprise risk management process, the Audit Committee has reviewed the policy and each operation process complying with company's risk management principles to ensure that the company has implemented an appropriate risk management process in efficient and regularly manner.

Accordingly, the Audit Committee has recommended to the Board of Directors that Mr.Pisit Thangtanagul Certified Public Accountant No.4095 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 2021. 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 2021.



**Mr. Chai Jroongtanapibarn**

Chairman of the Audit Committee

# Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprised Chairman, Mr. Kraithip Krairiksh and Committee Members Mr. Chai Jroongtanapibarn, Mr. Verawat Ongvasith and on November 12, 2020 the Board of Directors' Meeting resolved to appoint Ms. Chonticha Chitrarnporn as Independent Director and member of the Nomination and Remuneration Committee in replacement Mr. Vallop Tangtrongjit who resigned.

In 2020, the Nomination and Remuneration Committee performed its duties in nominating 4 Directors to replace Directors who will retire by rotation at the Annual General Meeting of Shareholders for the year 2020, namely

1. Mr. Chai Jroongtanapibarn (Chairman of Audit Committee/Independent Director)
2. Mr. Kraithip Krairiksh (Independent Director)
3. Mr. Thanakorn Puriwekin (Director) and
4. Pol. Sub.Lt. Kriengsak Lohachala (Independent Director).

The committee considered the qualification, knowledge, capability, experience, good work record and ethic. As a result, 3 of the aforementioned directors were nominated for re-election and proposed Mr. Prasert Bunsumpun in replacement of Pol. Sub.Lt. Kriengsak Lohachala (Independent Director) who resigned. The resolution was submitted to the Board of Directors and approved by the Annual General Meeting of Shareholders.

The Nomination and Remuneration Committee also performed its duties in setting remunerations for members of 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 in line with 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 2020, the Nomination and Remuneration Committee convened two times.

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 (the Board), MAJOR appointed Risk Management Committee (RMC) to determine direction and supervision of Risk Management in order to comply with international standards framework and processes. In addition, to comply with MAJOR's policy and sustainability further.

The Risk Management Committee comprising three members from the Board of Directors, is chaired by Dr. Satien Pooprasert (Independent Director) with Mr. Chai Jroongtanapibarn (Independent Director) and Mr. Veerawat Ongvasith (Director) serve as the other two members.

The scope of Risk Management Committee are oversight seeing have been complied with Risk Management Committee's Charter. In 2020, the Committee meeting was held totally 4 times which the members have attended completely quorum. Therefore, the key outcomes as follows.

1. Considered to determine Risk Management implementation in two levels:

- Corporate level is called Strategic Risk Management.
- Department level is called Operation Risk Management.

In addition, to determine the Risk Management working team both of Corporate and Department level in order to implement and comply with international standards which have clearly framework and process, in line to Enterprise Risk Management.

2. Identified MAJOR key risks, with the scope of consideration as follows:

- Strategic Risk – Lack of Hollywood contents and Political conflict in theaters and social media.
- Operational Risk / IT – Cyber-attack, data leaking and disaster (Natural and human made).
- Financial Risk – Fluctuation of Revenue & Cost, Liquidity & Cash Flow management.
- Compliance / Fraud / ESG – Compliance, Anti-corruption, Social and Environments.
- Emerging Risk – COVID-19 and Political crisis situation.

Including consider and prepare Risk Mitigation both of preventive action and corrective action appropriately.

3. Defined Risk Assessment Criteria both of Likelihood and Impact assessment of each risk to realize Risk level. In order to Risk Management principle standard and supported documents for risk assessment which reflect reality of MAJOR's risks that need the mitigation further.

4. Determined the Risk Management implementation which in line to the international standard framework and processes. Beginning from Risk Identification, Risk Assessment, Risk Mitigation and Risk Monitoring and Reporting which implement to be Risk Profile.

5. Supported Risk Management function by organizing RISK MANAGEMENT training courses for department directors and section managers to educate and understand Risk Management process and be able to implement in operations. Moreover, to groom key person to be Risk Management person for MAJOR further.

6. Reported the result of MAJOR's Enterprise Risk Management to the BOARD of Directors.

From all of Risk Management Committee performances, MAJOR ensure to achieve the business goal, to retain and generate maximum benefit to stockholders and stakeholders further.



**Dr. Satian Pooprasert**

Chairman of the Risk Management Committee

# Report of the Corporate Governance Committee

Commitment to good corporate governance and adherence to a code of conduct are an integral part of MAJOR's core mission. They are considered crucial factors that drive the organization towards sustainable success as well as national and international recognition as a business entity with high standards of business management and integrity. 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 and the Code of Conduct as well as integrate business ethics, sustainability management and anti-corruption into MAJOR's corporate governance framework.

The Committee, comprising three members from the Board of Directors, is chaired by Mr. Kraithip Krairiksh (Independent Director) with Dr. Satian Pooprasert (Independent Director) and Mr. Verawat Ongvasith (Director) serve as the other two members. Two meetings were held by the Committee this year, with the following key outcomes:

## 1. Development of Guidelines and Rules for Corporate Governance

- MAJOR benchmarked its corporate governance practices against the Corporate Governance Code for Listed Companies 2017 (CG Code 2017) by the Office of the Securities and Exchange Commission (SEC). The Committee found that most of MAJOR's current practices were in compliance with the Code. One exception was CG Code 2017, namely "BOARD Diversity and Whistleblower Channels." Accordingly, the Committee took action to incorporate this particular Code as an additional MAJOR corporate governance practice.
- Ensuring that minority shareholders were given an opportunity, in advance of the 2020 AGM during the period from November 19, 2019 to January 31, 2020, to propose AGM agenda items and nominate candidates for director positions in accordance with established criteria.

## 2. Promoting Compliance with Corporate Governance Policy and Code of Conduct

The Corporate Governance Committee agreed that monitoring and evaluation of MAJOR's adherence to the Corporate Governance Policy, Code of Conduct and Anti-Corruption Policy were necessary to facilitate the implementation of these interrelated policies.

## 3. Acknowledgement of the Progress on the Corporate Governance Plan and Sustainability Project (ESG of the Corporate Governance Sub-Committee, 2020)

- The Committee assessed that the Company's sustainable development work was in line with international standards and criteria, including the Dow Jones Sustainability Indices (DJSI). The Committee also reviewed all components of the Company's sustainability framework to ensure that it suited the global context, including pandemic and rapidly evolving challenges.
- Through reports from responsible departments, the Committee oversaw that the Company operated its business with due regard to its responsibilities towards stakeholders, in accordance with good corporate governance principles. The Committee also offered its opinions and suggestions on other related matters.


#### 4. Acknowledgement of the results of the Corporate Governance Report (CGR) for 2020

The Corporate Governance Committee acknowledged the Company's results on Corporate Governance, as published in the Corporate Governance Report of Thai Listed Companies for 2020 by the Thai Institute of Directors (IOD), where the results were rated 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. It took note of the importance of communication and awareness-raising on corporate governance, encouraging employees to adhere to corporate governance principles and the Anti-Corruption policy in their behaviors in 2020.
- The Committee offered advice during the review of the Company's anti-corruption measures and established the 2019 anti-corruption action plan in conformity with the CAC's criteria.

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



**Mr. Kraithip Krairiksh**

Chairman of the Corporate Governance Committee



# The Board of Directors



1

## **Mr. Somchainuk Engtrakul Age 76**

**Chairman of the Board of Directors and Independent Director**

**Effective date** 1 August 2004

**Shareholding in the Company (%)** None

### **Education**

- Ph.D (Honorary Degree) in Public Administration, Sripatum University
- Bachelor of Laws, Sripatum 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.
- 2020 - Present : Chairman of the Board of Directors, Dhipaya Group Holding 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

2

## **Mr. Vicha Poolvaraluk Age 57**

**Director and Chief Executive Officer**

**Effective date** 23 February 2002

**Shareholding in the Company (%)** 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

3

**Mr. Prasert Bunsumpun Age 68****Independent Director****Effective date** 24 July 2020**Shareholding in the Company (%)** None**Education**

- Honorary Doctoral Degree in Engineering, Chulalongkorn University
- Honorary Doctoral Degree in Business Administration, National Institute of Development Administration (NIDA)
- Honorary Doctoral Degree in Business Administration of General Management, Phetchaburi Rajabhat University
- Honorary Doctoral Degree in Business Administration of Business Administrative Program, Mahasarakham University
- Honorary Doctoral Degree of Arts, Social Innovation Management, Suan Sunandha Rajabhat University
- Master Degree of Business Administration (M.B.A.) Utah State University, USA
- Bachelor Degree in Engineering, Civil Engineer, Chulalongkorn University

**Last 5 years work experience****Listed Company**

- 2020-Present Independent Director, Major Cineplex Group Plc.
- 2020-Present Chairman of the Board, AIRA Capital Plc.
- 2017-2020 Independent Director/ Chairman of the Board, Nok Airlines Plc.
- 2017-Present Independent Director/ Chairman of the Board/ Chairman of the Nomination and Compensation Committee, SVI Plc.
- 2019-Present Independent Director/ Chairman of the Nomination and Compensation Committee/Member of the Audit Committee,

T.K.S. Technology Plc.

- 2015-Present Independent Director/ Chairman of the Board, Thaicom Plc.
- 2012-Present Chairman of the Board/ Chairman of the Executive Committee, Thoresen Thai Agencies Plc.
- 2011-2018 Independent Director/ Chairman of the Board, PTT Global Chemical Plc.
- 2011-Present Independent Director, Intouch Holdings Plc.
- 2014-2015 Chairman of the Executive Committee, Krung Thai Bank Plc.
- 2011-2015 Independent Director, Krung Thai Bank Plc.

**Non – Listed Company**

- 2019-Present Chairman of the Board, Yuanta Securities (Thailand) Co.,Ltd.
- 2019-Present Chairman of the Board, Aira Property Co.,Ltd.
- 2012-Present Chairman of the Board/ Chairman of the Executive Committee, Mermaid Maritime Plc.
- 2011-Present Chairman of the Board, Thailand Business Council for Sustainable Development (TBCSD)
- 2012-2020 Distinguished Member, Chulalongkorn University Council
- 2013-2020 Distinguished Member, Suranaree University of Technology Council
- 2019-Present Distinguished Member, King Prajadhipok's Institute
- 2018-Present Council President, Durakij Pundit University
- 2021 Distinguished Member, Chulabhorn Royal Academy
- 2014-2019 Member of the National Legislative Assembly (NLA), National Legislative Assembly

**Director Training Program**

- Role of the Chairman Program (RCP) Class 28/2012
- Director Accreditation Program (DAP) Class 26/2004

4

**Mr. Chai Jroongtanapibarn Age 66****Independent Director/ Chairman of Audit Committee/ Member of the Nomination and Compensation Committee/Member of Risk Management Committee****Effective date** 23 February 2002**Shareholding in the Company (%)** 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



5

**Mr. Verawat Ongvasith Age 50**

**Director/ Executive Director/ Member of the Nomination and Compensation Committee/ Member of Risk Management Committee/ Member of the Corporate Governance Committee**

**Effective date** 23 February 2002

**Shareholding in the Company (%)** 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

**Last 5 years work experience**

**Listed Company**

- 2019 - Present : Member of Risk Management Committee/Member of Corporate Governance Committee, Major Cineplex Group Plc.
- 2002 - Present : Director and Executive Director, Major Cineplex Group Plc.
- 2013 - 2017 : Director, M Pictures Entertainment Plc.
- 2003 - Present : Director, Siam Future Development Plc.
- 2004-Present : Chief Executive Officer, Veranda Resort Plc.

**Non – Listed Company**

-None-

**Director Training Program**

- Director Accreditation Program (DAP) Class 22/2004

6

**Mr. Kraithip Krairiksh Age 65**

**Independent Director/ Member of Audit Committee/ Chairman of the Nomination and Compensation Committee/ Chairman of the Corporate Governance Committee**

**Effective date** 8 May 2015

**Shareholding in the Company (%)** None

**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**

- 2019 - Present : Chairman of the Corporate Governance Committee, Major Cineplex Group Plc.
- 2017 - Present : Independent Director, Audit Committee and Chairman of the Nomination and Remuneration Committee, Major Cineplex Group Plc.
- 2017 - Present : Independent Director, Asean Potash Chaiphum 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

7

**Dr. Satian Pooprasert Age 68****Independent Director/ Chairman of Risk Management Committee/ Member of the Corporate Governance Committee****Effective date** 15 February 2013**Shareholding in the Company (%)** None**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**

- 2019 - Present : Chairman of Risk Management Committee/ Member of the Corporate Governance Committee, Major Cineplex Group Plc.

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

8

**Mr. Wichai Poolvaraluk Age 58****Director****Effective date** 5 April 2005**Shareholding in the Company (%)** None**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

**Last 5 years work experience****Listed Company**

- 2005 - Present : Director, Major Cineplex Group Plc.

**Non – Listed Company**

- 2013 - Present : President, Woraluk 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
- Thai-Chinese Leadership Studies (TCL) New Gen Class 2
- Top Executive Program in Commerce and Trade Class 10, University of the Thai Chamber of Commerce
- Ultra Wealth Program Class 1
- Top Executive Program: Thammasat Leadership Program Class 1
- Program Executives Capital Market Academy (CMA.) Class 1

9

**Mr. Thanakorn Puriwekin Age 64****Director****Effective date** 22 April 2004**Shareholding in the Company (%)** 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





10

**Mrs. Paradee Poolvaraluk Age 59**

**Director and Executive Director**

**Effective date** 23 February 2002

**Shareholding in the Company (%)** 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**

- Present : Director , Major Holding International Co.,Ltd.

11

**Ms. Chonticha Chitraporn Age 62**

**Independent Director/ Member of Audit Committee/ Member of the Nomination and Compensation Committee**

**Effective date** 12 November 2020

**Shareholding in the Company (%)** None

**Education**

- Master Degree in Applied Economics, Faculty of Economics, University of Michigan, USA
- Master Degree in Language and International Trade, Faculty of Economics, Eastern Michigan University, USA
- Bachelor Degree in Accounting, Thammasat University, Thailand

**Last 5 years work experience**

**Listed Company**

- 2020 - Present : Independent Director/ Member of Audit Committee/ Member of the Nomination and Compensation Committee, Major Cineplex Group Plc.
- 2017 - Present : Chairman of the Audit Committee/ Director/ Independent Director, Absolute Clean Energy Plc.
- 2018 - Present : Director / Independent Director / Member of the Audit Committee / International Research Corporation Plc.

**Non – Listed Company**

- 2018 - Present : Independent Director/ Chairman of the Risk Management Committee, Advance Life Assurance Plc.
- 2014 - 2020 : Member of the Risk Management Committee, Dhanarak Asset Development Co.,Ltd.
- 2008 - 2014 : Senior Consultant / Senses Consulting & Research Company Limited

**Director Training Program**

- Director Accreditation Program (DAP) Class 143/2017, Thai Institute of Directors
- Advanced Audit Committee Program (AACP) Class 33/2019, Thai Institute of Directors

# Management Team



## (1) Ms. Thitapat Issarapornpat Age 52

**Chief Finance Officer and Company Secretary**

**Shareholding in the Company (%)** 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.

## (2) Mr. Apichart Kongchai Age 54

**Chief Cinema Officer**

**Shareholding in the Company (%)** 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.

## (3) Mr. Surachedh Assawaruenganun Age 47

**Chief Media Officer**

**Shareholding in the Company (%)** None

### 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 Plc.

## (4) Mr. Narute Jiensnong Age 38

**Chief Marketing Officer**

**Shareholding in the Company (%)** 0.0000%

### Education

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

### 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.

## (5) Mr. Kitikorn Poomsawang Age 66

**Chief Construction Officer**

**Shareholding in the Company (%)** 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.

**(6) Mrs. Jinda Wantanahatai Age 57**

**Chief Retail Officer**

**Shareholding in the Company (%)** 0.0099%

**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.

**(7) Mr. Apirak Vorachanonth Age 47**

**Chief People Officer**

**Shareholding in the Company (%)** 0.0002%

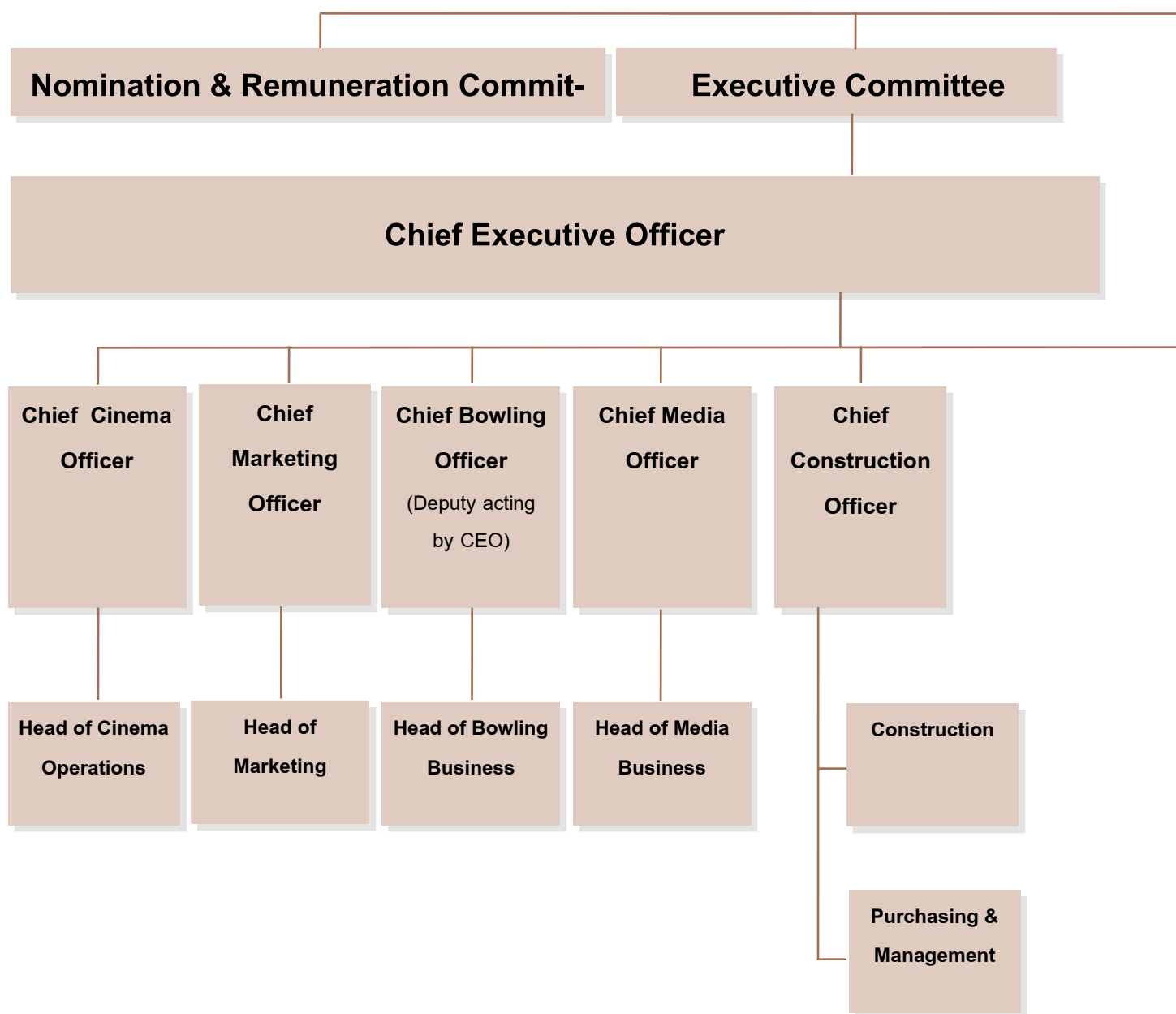
**Education**

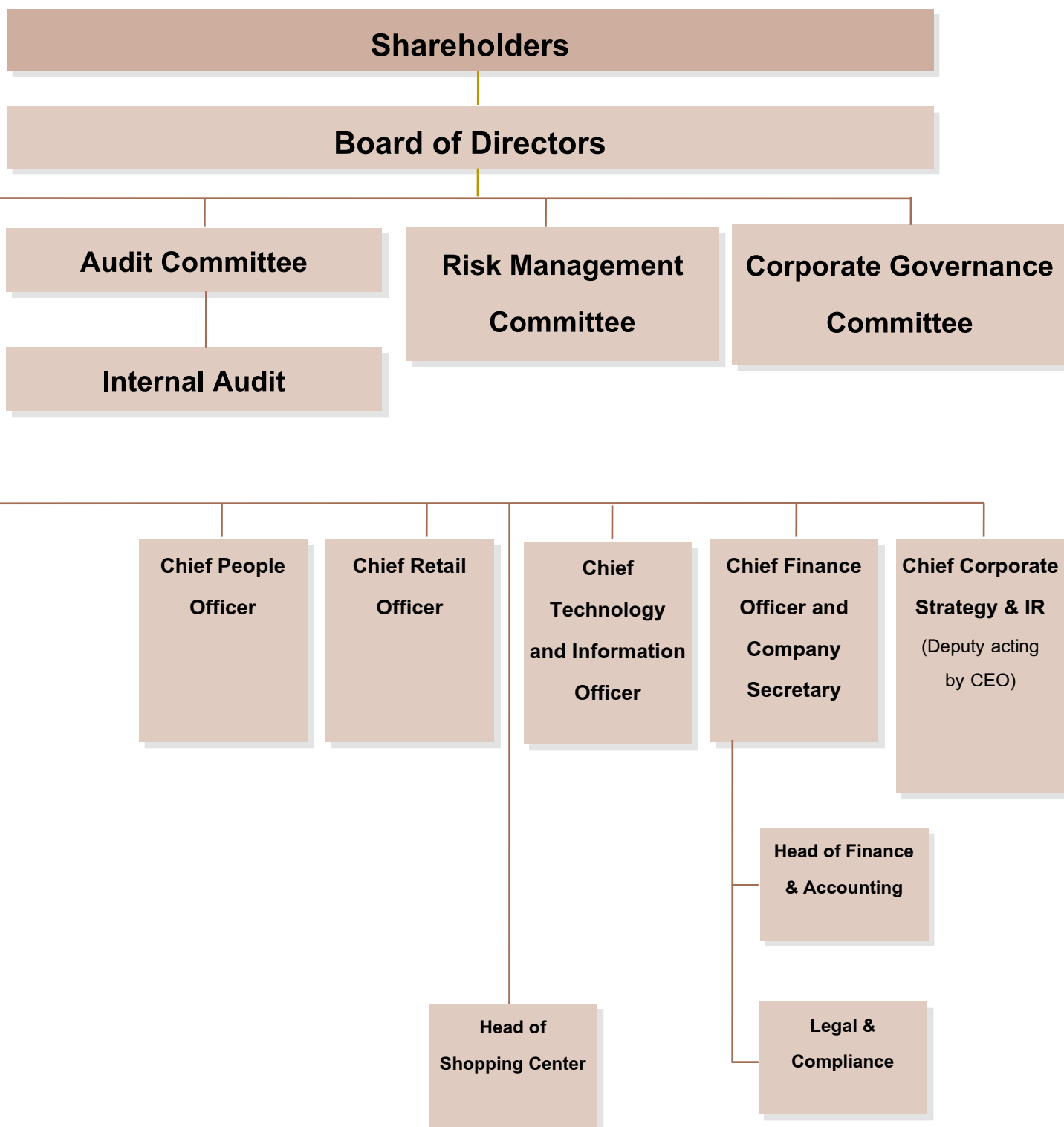
- Master of Art, Major: Population Education, Mahidol University
- Bachelor of Business Administration, Major: Personnel Management,  
Thai Commercial Chamber University

**Last 5 years work experience**

- 2017 – Present: Chief People Officer -People Support Center,  
Major Cineplex Group Plc.
- 2020 – Present: Director, MCD Training Center Co.,Ltd. (M Academy)
- 2017 - Present: Director, M Pictures Entertainment Plc.
- 2018 - 2020: Director, Marketing Association of Thailand (MAT)
- 2013 – 2017 : Director -People Support Center,  
Major Cineplex Group Plc.

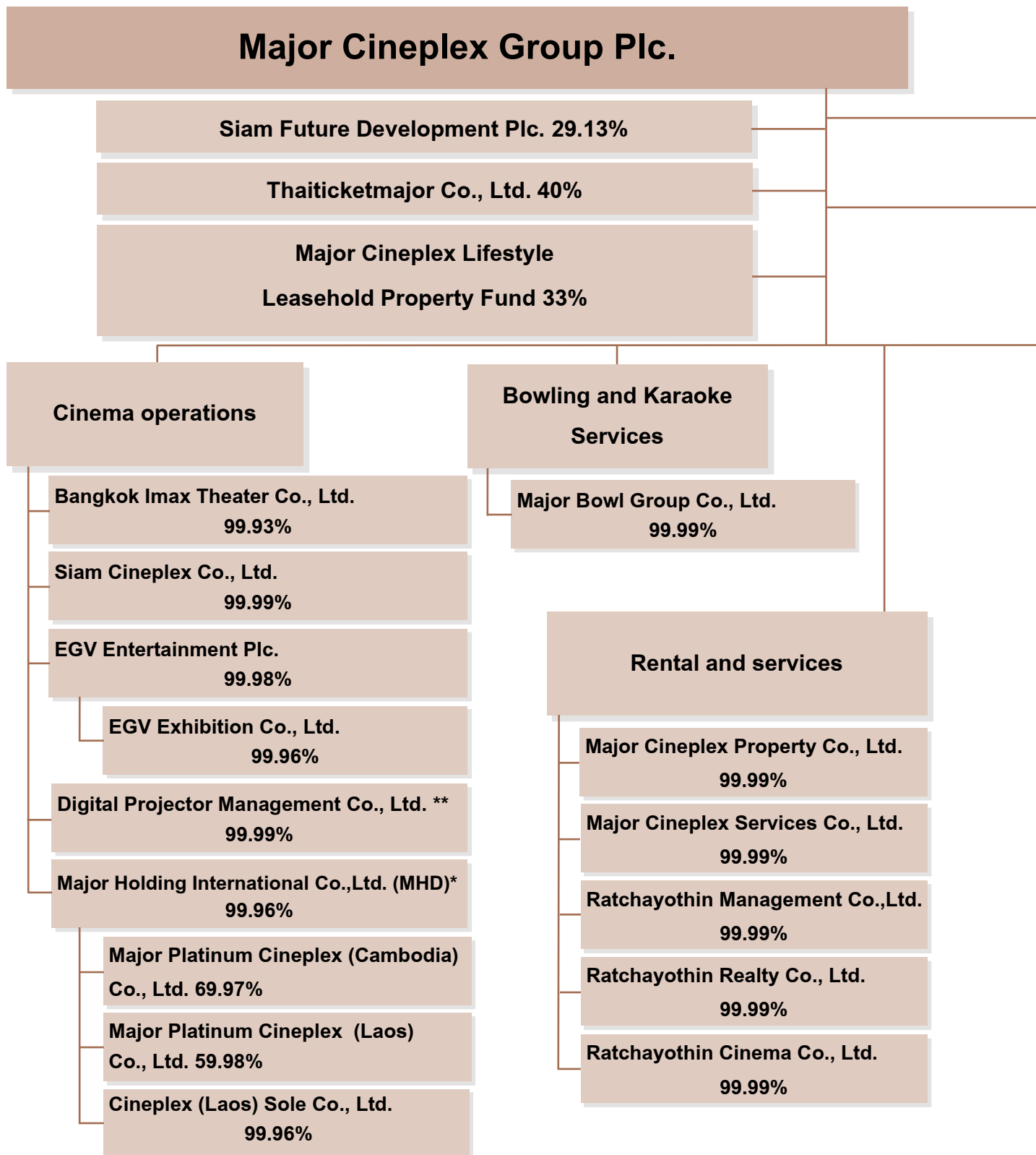
# Organization Chart







# Group Structure

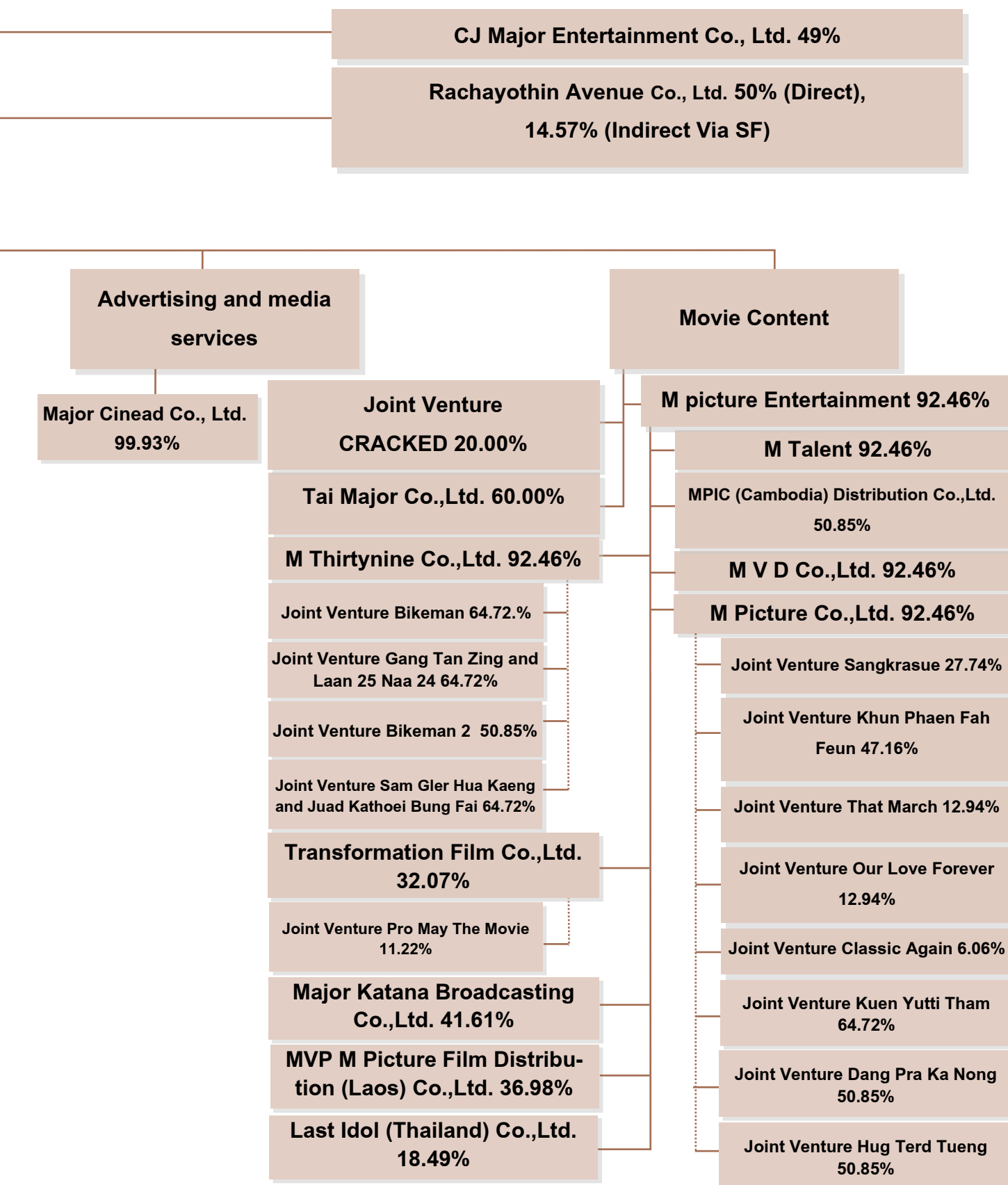


\*The subsidiary company is a company registered in Thailand except for the subsidiary company under MHD which a company registered in Cambodia and Lao People's Democratic Republic. All funds are invested in ordinary shares.

\*\*Digital Projector Management Company Limited has registered amendments to the name MAJOR JOIN FILM CO.,LTD. and the memorandum of association on 19 January 2021.

\*\*\*Mtel (Thailand) Co.,Ltd. was disposed the capital on 28 August 2020.

\*\*\*\*Major Rewards Co.,Ltd. is registered of the dissolution of the Company on 16 October 2020.



# General Information of the Company

Theatre Business	
<b>Name</b>	: <b>Major Cineplex Group Plc.</b>
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
% of Shareholding	: 100.00%

<b>Name</b>	: <b>Bangkok Imax Theater Co., Ltd.</b>
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%

<b>Name</b>	: <b>Siam Cineplex Co., Ltd.</b>
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%

<b>Name</b>	: <b>EGV Entertainment Plc.</b>
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%

<b>Name</b>	: <b>EGV Exhibition Co., Ltd.</b>
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%

<b>Name</b>	: <b>Digital Projector Management Co., Ltd.</b>
Nature of business	: Projector rental and system management
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0105554048284
Registered capital	: 5,000,000 Baht
Paid up capital	: 5,000,000 Baht
% of Shareholding	: 99.99%

<b>Name</b>	: <b>Major Holding International Co., Ltd.</b>
Nature of business	: Holding Business
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0105556003661
Registered capital	: 30,000,000 Baht
Paid up capital	: 30,000,000 Baht
% of Shareholding	: 99.96%

<b>Name</b>	: <b>Major Platinum Cineplex (Cambodia) Co., Ltd.</b>
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%

<b>Name</b>	: <b>Major Platinum Cineplex (Laos) Co., Ltd.</b>
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%

<b>Name</b>	: <b>Cineplex (Lao) Sole Co., Ltd.</b>
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%

Bowling and Karaoke business	
<b>Name</b>	: <b>Major Bowl Group Co., Ltd.</b>
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	
<b>Name</b>	: <b>Major Cineplex Property Co., Ltd.</b>
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%

<b>Name</b>	: <b>Major Cineplex Service Co., Ltd.</b>
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%

<b>Name</b>	: <b>Ratchayothin Management Co., Ltd.</b>
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%

<b>Name</b>	: <b>Ratchayothin Realty Co., Ltd.</b>
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%

<b>Name</b>	: <b>Ratchayothin Cinema</b>
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	
<b>Name</b>	: <b>Major CineAd Co., Ltd.</b>
Nature of business	: Advertising and advisory service
Head Office	: 234, 13th 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	
<b>Name</b>	: <b>M Pictures Entertainment Plc.</b>
Nature of business	: Publishing, advertising and distribution of film rights
Head Office	: 234, 234/1-3 Ratchayothin Shopping Mall Building 3rd floor no. B301-B306, 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%

<b>Name</b>	: <b>M Pictures Co., Ltd.</b>
Nature of business	: Distribution of film rights for cinema, VCD/DVD production and TV broadcast
Head Office	: 234, 234/1-3 Ratchayothin Shopping Mall Building 3rd floor no. B301-B306, 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%

<b>Name</b>	: <b>M V D Co., Ltd.</b>
Nature of business	: Distribution of VCD/DVD, Blu-ray and film rights
Head Office	: 234, 234/1-3 Ratchayothin Shopping Mall Building 3rd floor no. B301-B306, 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%

<b>Name</b>	: <b>M Thirty Nine Co., Ltd.</b>
Nature of business	: Film production
Head Office	: 234, 234/1-3 Ratchayothin Shopping Mall Building 3rd floor no. B301-B306, 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%

<b>Name</b>	: <b>M Talent Co., Ltd.</b> (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	: 234, 234/1-3 Ratchayothin Shopping Mall Building 3rd floor no. B301-B306, Ratchadapisek Rd., Ladyao, Jatujak Bangkok 10900
Registration no.	: 010554068617
Registered capital	: 40,000,000 Baht
Paid up capital	: 40,000,000 Baht
% of Shareholding	: 92.46%

<b>Name</b>	: <b>Major Kantana Broadcasting Co., Ltd.</b>
Nature of business	: Satellite Broadcasting and distribution of film rights
Head Office	: No. 32 Soi Wachiratham Sathit49, Bang Chak, Phra Khanong Bangkok 10260
Registration no.	: 0105553012928
Registered capital	: 60,000,000 Baht
Paid up capital	: 60,000,000 Baht
% of Shareholding	: 41.61%

<b>Name</b>	: <b>Transformation Film Co., Ltd.</b>
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	: 245,000,000 Baht
Paid up capital	: 245,000,000 Baht
% of Shareholding	: 32.07%

<b>Name</b>	: <b>MVP M Pictures Film Distribution (Laos) Co., Ltd.</b>
Nature of business	: Film Distribution in Laos
Head Office	: 4 <sup>th</sup> Floor, Vientiane Center Shopping Mall, No 13, Kouvieng Rd., Nongchan Village, Sisatannak District, Vientiane Capital, Laos People's Democratic Republic
Registration no.	: 01B00080044425(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%

<b>Name</b>	: <b>Tai Major Co.,Ltd.</b>
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0105562116838
Registered capital	: 45,000,000 Baht
Paid up capital	: 45,000,000 Baht
% of Shareholding	: 60.00%

<b>Name</b>	: <b>MPIC (Cambodia) Distribution Co.,Ltd.</b>
Nature of business	: Distribution of film rights for cinema in Cambodia
Head Office	: 308, 2nd floor, Preah Monivong Boulevard, Sangkat Chaktomukh, Khan Daun Penh, Phnom Penh, Cambodia
Registration no.	: 00037449 ( Registered in Cambodia)
Registered capital	: 200,000 USD (200,000 shares 1 USD per share)
Paid up capital	: 200,000 USD (200,000 shares 1 USD per share)
% of Shareholding	: 50.85% (Indirect holding)

<b>Name</b>	: <b>Joint Venture Sangkrasue</b>
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000401158
Investment	: 35,000,000 Baht
% of Shareholding	: 27.74%

<b>Name</b>	: <b>Joint Venture Khun Phaen Fah Feun</b>
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%

<b>Name</b>	: <b>Joint Venture Bikeman</b>
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%

<b>Name</b>	: <b>Joint Venture Kuen Yutti Tham</b>
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%

<b>Name</b>	: <b>Joint Venture Hug Terd Tueng</b>
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%

<b>Name</b>	: <b>Joint Venture That March</b>
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%

<b>Name</b>	: <b>Joint Venture Classic Again</b>
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%

<b>Name</b>	: <b>Joint Venture Our Love Forever</b>
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%

<b>Name</b>	: <b>Joint Venture Bikeman 2</b>
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000409701
Investment	: 25,000,000 Baht
% of Shareholding	: 50.85%

<b>Name</b>	: <b>Joint Venture Gang Tan Zing and Laan 25 Naa 24</b>
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	
<b>Name</b>	: <b>Joint Venture Sam Gler Hua Kaeng and Juad Kathoei Bung Fai</b>
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000420764
Investment	: 23,500,000 Baht
% of Shareholding	: 64.72%
<b>Name</b>	: <b>Joint Venture CRACKED</b>
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%
<b>Name</b>	: <b>Joint Venture Pro May The Movie</b>
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000416601
Investment	: 38,000,000 Baht
% of Shareholding	: 11.22%
<b>Name</b>	: <b>Joint Venture Dang Pra Ka Nong</b>
Nature of business	: Film production
Head Office	: 1839 Phaholyothin Rd., Ladyao, Jatujak, Bangkok 10900
Registration no.	: 0993000435451
Investment	: 27,500,000 Baht
% of Shareholding	: 50.85%
<b>Name</b>	: <b>Last Idol (Thailand) Co.,Ltd.</b>
Nature of business	: Entertainment services
Head Office	: 234/2 Avenue Ratchayothin Building, Room No. B307A-B307B 3rd Floor, Ratchadapisek, Ladyao, Jatuchak Bangkok 10900
Registration no.	: 0105563072672
Registered capital	: 100,000,000 Baht
Paid up capital	: 100,000,000 Baht
% of Shareholding	: 18.49%

Strategic Investment	
<b>Name</b>	: <b>Thai Ticket Major Co., Ltd.</b>
Nature of business	: Agent for selling of tickets
Head Office	: 3199 Maleenon Tower, 27 <sup>th</sup> 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%
<b>Name</b>	: <b>Siam Future Development Plc.</b>
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	: 29.13%
<b>Name</b>	: <b>Ratchayothin Avenue Co., Ltd.</b>
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%)
<b>Name</b>	: <b>Major Cineplex Lifestyle Leasehold Property Fund</b>
Nature of business	: Rental of building space and utilities services
Head Office	: 400/22 KASIKORNBANK Building, 6 <sup>th</sup> , 12 <sup>th</sup> 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%
<b>Name</b>	: <b>CJ Major Entertainment Co., Ltd.</b>
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%

# 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 2020, 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 continece 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 12 brands:

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



The company has totally 172 branches in Thailand and overseas, which include 817 screens and 182,259 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 Chaiyaphum	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
Promenade	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 Nakhonsrihammarat	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 Chaiyaphum	2	277
Ayutthaya City Park	6	1,231	Nakhonsrihammarat	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 Mahachai2	2	430
Big C Mahachai	5	1,100	Big C Chiangrai	4	1,050	Big C Bandung Udonthani	1	204
Central Pitsanulok	5	1,168	TMK Kanchanaburi	4	910	Lotus Sukhothai	1	95
Chacheangsao	5	1,636	Big C Ranong	3	694	Big C Dan Khun Thot	1	204
Nonthaburi	5	633	Central Samui	3	672	Big C Tha Ta Koh	1	204
			Markfour Plaza Prae	3	620	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
<b>Total</b>	<b>817</b>	<b>182,259</b>

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.

At year-end 2020, the company operated 11 bowling locations comprising 210 lanes, 127 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	-
Pinklao (Blu-o)	20	14	-
Sukhumvit (Blu-o)	20	10	1
<b>International branch</b>			
Aeon Mall - Cambodia	13	-	-
Vientiane Center - Laos	8	-	-
Aeon Mall 2 - Cambodia	14	-	-
<b>Total</b>	<b>245</b>	<b>127</b>	<b>3</b>

Remarks : Pattaya branch was closed since 1 July 2020



## Advertising Services Business



From the increasing of business's expansion and attracts more than 40 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 70-80% 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 2020 ,BTS project called the Green-Line (North), from Mochit to Saphan mai-Khukot Station opened, Major got significantly impact from increasing of occupancy rate.

Branch	Areas (sq.m.)	%Occupancy
Metropolis	21,961	100%
Ngamwongwan-Kaelai	11,481	74%
Sukhumvit	6,645	94%
Ratchayothin	2,909	96%
Rangsit	1,564	95%
Aomai	1,150	60%
Future Rangsit	673	100%
Samrong	429	100%
Siam Paragon	374	92%
Quartier Cineart	253	100%
Pitsanulok	186	100%
Bangkapi	110	0%
Lotus Navanakorn	99	100%
Samui	89	0%
Chiangmai	30	100%
<b>Total</b>	<b>47,954</b>	<b>91%</b>

## 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 2020, 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 2020, 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 the end of 2020, there are Thai movies that have been released and in production which is a joint venture with many partners, including a joint venture Bike Man 1&2, Saeng Krasue, Khun Phaen Fah Nueng, Classic Again, Dew together, Love Battles, Nemesis, Love Rumble, Riam Fighting Angel, Pro May, Happy New U, Daeng Phra Khanong and CRACKED. 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 production teams to recognize more revenue.





# Strategic Investments

## Siam Future Development Plc. (SF)

The company currently invests 29.13% 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 Baht 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.

# Risk Factors

In year 2020, both of government and private sector in Thailand were faced many challenge crisis such as COVID-19, Global economy slowdown, Political turmoil, Disasters and natural disasters. The huge effect happened to global business even the large company to SMEs. These situation made big change to many company, business downsizing, resources reduction, cost management, re-business model including digitalization. Recently, Thai Government released many projects to cure and support business sectors continue. However, the Company have realized and implemented the important process is “Enterprise Risk Management”

The Company realized the important of Enterprise Risk Management which the start initially project by determine Risk Management Policy that comply with Corporate Governance principle and international standard. To be guideline implement for Executive Management and all employees and reviewed yearly basis that defined the framework in 2 levels were Strategic Risk Management and Operational Risk Management including appointed working group both to implement. Moreover, Risk Management workshop course was organized to Head of Department and senior officer to educate of Risk Management understanding and process which able to practice in real work. There are Risk Management support team to suggest and coordinate that make The Company to be truly Enterprise Risk Management, connected and complied with The Company Policy and Risk Management Policy. Moreover, to aware and realize the Risk Management to be the Company culture further.

The Risk Management structure was appointed by The Risk Management Committee to govern and monitor via risk profile report and risk mitigation plan including to consider and support quarterly basis through Risk Management Committee meeting which process step by step from Strategic Risk Management working team, Operational Risk Management working team and Risk Management support team. To ensure that The Company has efficiency and systematic of Enterprise Risk

Management. In year 2020, Risk Factors overview are summarized as following;

- **Emerging Risk Factor**

COVID-19 global spreading was extremely effected, both domestic and international business operations are widely affected and also for Thailand, the Government have to enforce strict measures to contain the epidemic, which is the “Lock Down”, the closure of the country to control the entry and exit of tourists and citizens. Including the temporary closure of the Company's movie theatres and shopping malls for 3 months, which later allowed to be opened under various strictly measures set by the Government, such as “Social distancing”, tracking through the application “Thai Chana” and “Mor Chana”. Set up the temperature screening point, preparing of alcohol gel and blocked some entrances and exits to limit the spread of epidemic control. These seriously issues, happened significant impact on the Company's overall. Both in the financial and operating. Cinema business, Cinema Advertising business, Bowling & karaoke & ice skating and retail business were slowdown. By the way, The Company learned about the changes that happened and brought to the development Improvement, Correction to be various measures that The Company has taken tightly and intensively, including cost control both of operating and goods & services. Accelerating additional revenue from new channels, new business initiatives. Including, education and pushing to make the company's business move into a digital platform in the future.

In addition, Thailand was faced continuing and increasingly violent political situation. There were various group of protesters. These happened many times nearly The Company location. Therefore, closely monitoring the situation from Government and reliable media. To prepare to manage what might arise from an increasingly violent protest, such as the action plan when the protesters were in The Company location, to close and evacuation of employees outside for safety in life and properties.

- **Strategic Risk Factor**

The movie industry is also extremely affected. It started with the big blockbuster movies (Hollywood) that have been postponed. As a result, the company does not have movies to be shown and served customers. In addition, the coronavirus outbreak (COVID-19) in Thailand extremely effect make the Government enforced "Lock Down" to control various risk areas. Which was allowed to open under the intensely measures that the company has to strictly follow, such as "New normal", "Social distancing" etc. These directly affected the Company's business, especially the cinema business and cinema advertising business.

However, the Company has taken rapidly action to mitigate the impacts immediately and plans for future crisis. The opportunity to expand the Thai movie market. Thai movie production with various contents to serve the diverse needs of customers. To ensure that, if the Hollywood movies still postponed and cannot be screened normally, The Company will have enough Thai movies to serve customers. Moreover, the company has operated to generate additional revenue from existing products and services (concession business) by operating the popcorn delivery, popcorn kiosk and modern trade stores in many areas. Organizing many activities with sponsors and external film projection. Organizing events in the theaters. Learning new innovation to prepare digital platform business which could meet customer needs and to support new technologies in the future.

- **Operational Risk Factor**

Information technology (IT) systems is a very importance in global business driving. Nowadays, every organization is working hard to move business in digital platform through creating IT infrastructure, IT system development to increase distribution channels for products & service. Including to deliver products & service and payment. The Company has realized the importance of IT systems that need to verify, test and maintain regularly to ensure that systems could work completely and cannot disrupted by internal or external factors.

Therefore, The Company had variety measures to mitigate

any damages that may occur, including provided cyber-attack & cyber security training course, installation and update anti-virus program and firewall, maintenance IT equipment and tools, outsourcing of external experts to test the vulnerabilities of the company's systems, backing up data to the server system regularly. Moreover, to secure customer data & information is very importance to protect illegal issues or inappropriate using. In addition, the company also has a procedure in accordance with the Personal Data Protection Act 2019 (PDPA).

Political turmoil in the theatres also impact to The Company, but there were mitigate by appropriate action, to inform regarding to privacy rights which deliver the customer understanding each other. For online media, The Company had a Social Committee to oversight and monitor. To ensure that our online channels will not became a political battlefield.

Disasters (Fire) and natural disasters (flood) that disrupted business, delayed operation and damaged Company's assets and employees.

Many strictly and continuously measures were practiced on a regular basis to prevent fire. Hiring fire expert to verify fire protection equipment and tools and also electricity and area control system to complied with The Company action plan. Fire insurance annually reviewed in damaged claim. Practical process against fire situation and evacuation and also providing training by experts and annual fire drills.

- **Financial Risk Factor**

Global and Thailand economy have huge affected from COVID-19 and also domestic political turmoil taken seriously damages to business operations and performance and also customers panic and avoid our product & services, Moreover to complied with strictly Government measures were spent a lot of expense as wells to protect outbreak which The Company has to parallel operate along with business operations. As a result, the expenses trend are rising. Therefore, liquidity and cash flow management is one challenge that the Company faced and should have appropriate management.

The Company has taken measures with caution and tightness to control overall company's expenses, especially, operating costs reduction of products & services but the good quality still complied with standards, organization restructure to be leaner. Appropriate resources planning, generating additional revenue from existing business (concession) through new channels such as popcorn delivery, popcorn kiosk and modern trade stores. Exciting organized activities with sponsors and film projection. Initiating new businesses to build up the Company stability and strength, including to drive The Company businesses to digitalization as well.

- **Compliance Risk Factor**

In 2020, The Government has intense measures to reduce the illegal gap of private sector. The important point is The Government sectors have taken closely monitored regarding to the business licenses which The Company has to acquire before business operations.

However, the Company considered and realized the importance of The Government sector measures. Although

the difficulty obtaining licenses, which has a long time to verify. But, The Company able to comply regarding to the laws and regulations completely. Moreover, to retain good reputation and trust of The Company to the stakeholders further.

Transparency and verifiable operations are very importance to The Company operations. Including complied with the policy of anti-fraud & corruption through strictly and appropriate measures. Internal audit process was taken by tools and programs development to support effectively. The whistle blowing channel and penalties according to the Company's regulations. Including legal action.

In addition to the above risk factors, sustainable growth was the important way that The Company aware and realized to operate in accordance with good corporate governance & sustainability principle by taking good care to environment, social and governance (ESG). Including ESG Risk Management comprehensive practical. To raise up good reputation and trust to the stakeholders of The Company further.

# Corporate Management Structure

The Company's management structure, as of 31 December 2020, 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

As of 31 December 2020, the Board of Directors consisted of eleven (11) directors as follow

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 <sup>1</sup> (Resigned) Ms. Chonticha Chitraporn <sup>4</sup> (Replacement)	Independent Director /Audit Committee Member Independent Director /Audit Committee Member
9. Mr. Kraithip Krairiksh	Independent Director /Audit Committee Member
10. Pol.Sub.Lt. Kriengsak Lohachala <sup>2</sup> (Resigned) Mr. Prasert Bunsumpun <sup>3</sup> (Replacement)	Independent Director Independent Director
11. Dr. Satian Pooprasert	Independent Director

Remarks : Ms. Thitapat Issarapornpat is the Company's secretary.

<sup>1</sup>Mr. Vallop Tangtrongjit was resigned as Independent Director on 12 November 2020

<sup>2</sup>Pol.Sub.Lt. Kriengsak Lohachala was resigned as Independent Director on 24 July 2020

<sup>3</sup>Mr. Prasert Bunsumpun was appointed as Independent Director on 24 July 2020 in replacement of Pol.Sub.Lt. Kriengsak Lohachala

<sup>4</sup>Ms. Chonticha Chitraporn was appointed as Independent Director on 12 November 2020 in replacement of Mr. Vallop Tangtrongjit

## 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 2020, 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 <sup>1</sup> (Resigned) Ms. Chonticha Chitraporn <sup>2</sup> (Replacement)	Independent Director/ Audit Committee Member
3. Mr. Kraithip Krairiksh	Independent Director/ Audit Committee Member

Mr. Nipon Suntrajarn is the Audit Committee's secretary.

<sup>1</sup>Mr. Vallop Tangtrongjit was resigned as Audit Committee Member on 12 November 2020.

<sup>2</sup>Ms. Chonticha Chitraporn was appointed as Audit Committee Member on 12 November 2020.

### 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 2020, 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 2020, the Nomination and Remuneration Committee comprise 4 Members with 3 years term as follows:

Name	Position
1. Mr. Kraithip Krairiksh	Independent director / Chairman of the Nomination and Remuneration Committee
2. Mr. Vallop Tangtrongjit <sup>1</sup> (Resigned) Ms. Chonticha Chitraporn <sup>2</sup> (Replacement)	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

Ms. Thitapat Issarapompat is the Nomination and Compensation Committee's secretary.

<sup>1</sup>Mr. Vallop Tangtrongjit was resigned as Audit Committee Member on 12 November 2020.

<sup>2</sup>Ms. Chonticha Chitraporn was appointed as Audit Committee Member on 12 November 2020.

## 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 31<sup>st</sup> of December 2020, 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
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 Risk Management Committee's Secretary

### 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 31<sup>st</sup> of December 2020, the Corporate Governance Committee consists of 8 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
6. Mr. Apirak Varachanoonth	Member of the Corporate Governance Committee
7. Mr. Nipon Sunthrajarn	Member of the Corporate Governance Committee

Ms. Panita Maneedul is Corporate Governance Committee's secretary

#### 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 Issarapornpat 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 2020, the directors' meeting as following:

Name	Board of Directors	Annual General Meeting	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee
1. Mr. Somchainuk Engtrakul	8/8	1/1	-	-	-	-	-
2. Mr. Vicha Poolvaraluk	8/8	1/1	-	-	12/12	-	-
3. Mr. Verawat Ongvasith	8/8	1/1	-	3/3	12/12	4/4	2/2
4. Mrs. Paradee Poolvaraluk	8/8	1/1	-	-	12/12	-	-
5. Mr. Thanakorn Puriwekin	8/8	1/1	-	-	12/12	-	-
6. Mr. Wichai Poolvaraluk	8/8	0/1	-	-	-	-	-
7. Mr. Chai Jroongtanapibarn	8/8	1/1	8/8	3/3	-	4/4	-
8. Mr. Vallop Tangtrongjit <sup>1</sup> Ms. Chonticha Chitraporn <sup>4</sup>	8/8 -	1/1 -	8/8 -	- -	- -	- -	- -
9. Mr. Kraithip Krairiksh	8/8	1/1	8/8	3/3	-	-	2/2
10. Pol. Sub.Lt.Kriengsak Lohachala <sup>2</sup> Mr.Prasert Bunsumpun <sup>3</sup>	0/6 2/2	0/1 -	- -	- -	- -	- -	- -
11. Dr. Satian Pooprasert	8/8	1/1	-	-	-	4/4	2/2

<sup>1</sup>Mr. Vallop Tangtrongjit was resigned as Independent Director on 12 November 2020

<sup>2</sup>Pol.Sub.Lt. Kriengsak Lohachala was resigned as Independent Director on 24 July 2020

<sup>3</sup>Mr. Prasert Bunsumpun was appointed as Independent Director on 24 July 2020 in replacement of Pol.Sub.Lt. Kriengsak Lohachala

<sup>4</sup>Ms. Chonticha Chitraporn was appointed as Independent Director on 12 November 2020 in replacement of Mr. Vallop Tangtrongjit

## (8) Chief Executive Officer and Management Team

As at 31 December 2020, 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. Ms. Thitapat Issarapornpat	Chief Finance Officer
3. Mr. Apichart Kongchai	Chief Cinema Officer
4. Mr. Surachedh Assawaruenganun	Chief Media Officer
5. Mr. Narute Jiensnong	Chief Marketing Officer
6. Mr. Kitikorn Poomsaeang	Chief Construction Officer
7. Mrs. Jinda Wantanahatai	Chief Retail Officer
8. Mr. Apirak Vorachanonth	Chief People 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.1/2020 on 18 February 2020 resolved to approve the remunerations for 2020 no more than Baht 4,110,000 for the directors. Separate to annual compensation and meeting fee Baht 2,340,000 Noted that the company pays an additional Baht 1,770,000 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	286,500
Director	178,500
Chairman of the Audit Committee	60,000
Audit Committee Member	22,500
Chairman of the Nomination and Remuneration Committee Member	9,000
Nomination and Remuneration Committee Member	9,000
Chairman of Executive Committee	60,000
Executive Committee Member	22,500
Chairman of the Risk Management Committee Member	-
Risk Management Committee Member	-
Chairman of the Corporate Governance Committee Member	-
Corporate Governance Committee Member	-

## Remuneration of Directors in 2020

Name	Position	Annual Remuneration (Baht)	Special Remuneration for 2019 paid in 2020 (Baht)
1. Mr. Somchainuk Engtrakul	Chairman of the Board / Independent Director	286,500	362,000
2. Mr. Vicha Poolvaraluk	Director	238,500	362,000
3. Mr. Verawat Ongvasith	Director	210,000	116,000
4. Mrs. Paradee Poolvaraluk	Director	201,000	116,000
5. Mr. Thanakorn Puriwekin	Director	201,000	116,000
6. Mr. Wichai Poolvaraluk	Director	178,500	116,000
7. Mr. Chai Jroongtanapibarn	Independent Director / Chairman of the Audit Committee	247,500	116,000
8. Mr. Vallop Tangtrongjit	Independent Director / Audit Committee Member	192,000	106,000
9. Mr. Kraithip Krairiksh	Independent Director / Audit Committee Member	210,000	116,000
10. Pol.Sub.Lt. Kriengsak Lohachala	Independent Director	104,250	68,000
11. Dr. Satian Pooprasert	Independent Director	178,500	116,000
12. Mr. Prasert Bunsumpun	Independent Director	74,000	48,000
13. Ms. Chonticha Chitrarporn	Independent Director	18,000	10,000

## Remuneration of the company's management in 2020

Remuneration of management comprise salary, bonus and provident fund comprise 7 persons totally 26.73 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 2020 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 2020 on 24 July 2020, the company provided sufficient opportunity for shareholders to study the information on 23 June 2020 (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](http://corporate.majorcineplex.com) is as follows:

1. Invitation to the Annual General Meeting of the Shareholders 2020
2. Attachment 1: The minutes of the Annual General Meeting of the Shareholders 2019
3. Attachment 2: Annual Report 2019 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 2020
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 2020 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 timeous to recheck their documents.
- After the Annual General Meeting of the Shareholders for the Year 2020, the company compiled the document, including agenda, meeting resolutions, voting results, questions and shareholders' opinion expressed at the meeting, and prepared the "Minutes of Annual General Meeting of the Shareholders for the Year 2020" 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 2020. 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 9 members of the Board of Directors attended Annual General Meeting of the Shareholders 2020. It could conclude that the company still organize the 2020 Annual General Meeting of Shareholders as 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 2020 or from 10 November 2019 to 31 January 2020. 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 2020. In 2020, 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 2020 or from 10 November 2019 to 31 January 2020. 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 2020. In 2020, 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 23 June 2020 (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 on 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.

*Regarding the Social, Community and Environment , the details are described in the section "Policy on quality, Security, Safety, Health, Environment, Energy Management and Social Responsibility" on [www.majorcineplex.com](http://www.majorcineplex.com).*

**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.

*Regarding the Social, Community and Environment , the details are described in the section "Human Rights Policy" on [www.majorcineplex.com](http://www.majorcineplex.com).*

**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. Since 2019, the Company in collaboration with Sustainability Department, Internal Audit and Human Resources Department conducted an ongoing training project "Anti-Corruption" to give lectures to supervisors on the Good Corporate Governance principles and business code of conduct and the likelihood of corruption to executive employee and operation level. The campaign has raised their awareness of ethical practices, fraud risk factors and fraud risk control. It has also bolstered the strength of the Company by enabling these employees to serve as role models and encouraging them to be vigilant of corruption in order to prevent it, as well as supporting employees to monitor protect and follow the implementation of anti-corruption measures.

#### **NO GIFT POLICY**

Giving or receiving a gift, treating someone or being treated to a meal, and giving or receiving any other form of benefit may lead to corruption. Therefore, the Company issued a No-Gift Policy (no gift, no treat nor any other benefits) under its Anti-Corruption Policy. Strictly enforced across MAJOR Group, the policy mandates that any person employed by MAJOR Group must not ask for or receive any gift, meal or form of favor from a business partner of MAJOR Group so as to prevent any influence on his or her decision or selective treatment or conflict of interest. This policy has been communicated to all external parties involved in its business operation for their acknowledgement so as to ensure MAJOR's standard of business conduct with integrity, transparency, honesty and lawfulness.

*Regarding the Social, Community and Environment, the details are described in the section "Anti-Corruption Policy" on [www.majorcineplex.com](http://www.majorcineplex.com).*

#### **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)
- The Company's Secretary

By sending to the headquarters of the company

Major Cineplex Group Public Company Limited

1839, 1839/1-6 (8<sup>th</sup> floor ) Phahonyothin Road, Ladyao, Chatuchak, Bangkok 10900

2. Email: [auditcom@majorcineplex.com](mailto: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 2020, 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 2020 to approve a total of no more than Baht 4.11 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:

1. 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.

2. Meeting potential investors (Roadshow) in overseas at least once a year.

3. 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 2020, the Company organized many Investor Relations activities by Virtual Conference for analysts and investors, as follows:

Type of Activities	No.of Events
Provide information to Analysts, Fund and Shareholders	250
Conference call with International fund	50
Meeting Investor, Fund Manager and Analyst	110
Site Visit for Shareholder and Analyst	3
International and Domestic Road Show	15

In 2020, the Company arranged one press announcement on the business result and business plan of 2020. And also provided news to the media informing business progress as well as other marketing events through the year.

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,

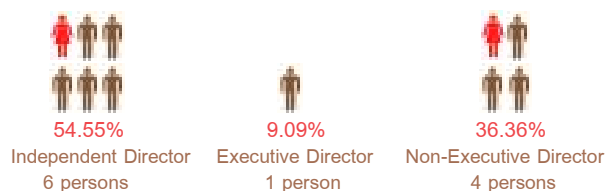
stakeholders and related parties.

- 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 Company consider the diversity of the Board structure, including gender, age, race and nationality.
- 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.

#### Structure of the Board of Directors



#### 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, 4 non-Executive Directors and 1 Executive Director. As of 31 December 2020, the Company had 11 members of the Board of Directors.

### 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 2020, 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.

In 2020, The Board of Directors reviewed the Good Corporate Governance policy for 2 times on 18 February 2020 and 12 November 2020.

- 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.

- The Board of Directors is focus on operating with integrity, morality, ethics, compliance with transparency, responsibility and accountability to ensure regular and sensible business conduct. It also pushed for an Anti-Corruption Policy in writing for management and staff to acknowledge and observe in their work, and was publicized for all stakeholders to acknowledge and observe. In addition, as the Company applied for Anti-

Corruption Program with the Private Sector Collective Action Coalition against Corruption (CAC), the Company had its declaration on 18 February 2020.

#### 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 2020, At the end of the year 2019 the Company's 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 2020 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, report to the Chief Executive Officer for the result of such meeting. In 2020, The Board of Directors



meeting without director who is appointed from the Company's management was arranged 1 time on 18 February 2020.

#### 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 2020, 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.

2020 Seminar record for directors as follows:

1. Mr. Somchainuk Engtrakul
  - International Financial Reporting Standard no.17, PWC
2. Mr. Vicha Poolvaraluk
  - Preparation for THSI Evaluation (Sustainability assessment), ERM
  - Sustainability (ESG) and Risk Management GAP Analysis Workshop, ERM
3. Mr. Verawat Ongvasith
  - Digital Transformation for CEO Class 2
4. Mr. Vichai Poolvaraluk
  - Quality of Life Management
  - Create Sense of Urgency Workshop
  - Workshop "Leading well - The Leadership Wellness Program"
5. Mrs. Paradee Poolvaraluk
  - Preparation for THSI Evaluation (Sustainability assessment), ERM
  - Sustainability (ESG) and Risk Management GAP Analysis Workshop, ERM
6. Mr. Thanakorn Puriwek
  - Preparation for THSI Evaluation (Sustainability assessment), ERM
  - Sustainability (ESG) and Risk Management GAP Analysis Workshop, ERM

#### 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 2020 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** age 45 years

**Position :** Internal Audit Director

**Education :** Bachelor degree - Faculty of Business Administration, Chaingmai University

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

#### **Training :**

1. Corruption Risk and Control Workshop 2020, The Institute of Internal Auditors of Thailand
2. Risk Management Plan Workshop , In-House Training

#### **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. Reviewed the policy and each operation process complying with company's risk management principles to ensure that the company has implemented an appropriate risk management process in efficient.
12. Prepare internal audit report t to the executive team, the Audit Committee, and the Board of Directors.
13. Select and develop at all levels of internal auditors to be skilled and knowledgeable including evaluate internal auditors performance.
14. Provide consulting service on internal control and risk to other departments.
15. Perform other special tasks as assigned by the executive management and the Audit Committee.
16. 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 2020, 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 8,060,000. However, to audit 2020 financial statement of EGV Exhibition Co.,Ltd., Digital Projector Management Co.,Ltd. and Major Rewards Co.,Ltd., Supachai Auditing Co.,Ltd. shall provide service with auditor's remuneration at Baht 60,000 and the Board of the Directors could control aforesaid auditor submitting timely financial statement to the Company.

#### Comparison of the Company and Subsidiaries

Auditor Remuneration	2019	2020
1. Auditor Remuneration of company	4,550,000	4,250,000
2. Auditor Remuneration of subsidiaries	3,900,000	3,810,000
3. Other fee	- None -	- None -
<b>Auditor Remuneration of Company and Subsidiaries</b>	<b>8,450,000</b>	<b>8,060,000</b>

#### 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, 2020, the company recorded the number of 1,413 employees, to be well-prepared for the continued growth on cinema business, bowling & karaoke business, advertising business, rental business and movie contents business. In 2020, the company opened 2 new branches to cover Bangkok, vicinity and Upcountry for customer convenience.

Business Units	Number of Employees
Head Office	199
Cinema	869
Bowling & Karaoke	199
Advertising	44
Rental Space & Services	102
<b>Total</b>	<b>1,413</b>

*\*Exclude temporary staffs*

## Employee turnover during 2017-2020

Year	2017	2018	2019	2020
Turn Over Rate (%)	2.10	1.62	1.39	1.29

## 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 2020, there were a total of 6 employees who had accidents or illnesses from work, but there were no employees serious accident and illnesses.

*Regarding the Social, Community and Environment, the details are described in the section "Human Rights Policy" on [www.majorcineplex.com](http://www.majorcineplex.com).*



## M PASSION

<b>M</b>	Major Iconic Leadership
<b>P</b>	Professionalism
<b>A</b>	Adaptability
<b>S</b>	Speed
<b>S</b>	Service Excellence
<b>I</b>	Innovation
<b>O</b>	Optimism
<b>N</b>	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 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.

#### Career Development

The Company encourages employees to plan for corporate growth and potential development in accordance with the career path by providing Career Development for employees with knowledge and competence. Employees will be advised and support sustainable development planning from supervisor and management.

The Company conduct many activities to retain and motivate talented employee who grow with the Company's business sustainably by succession plan. The Company establish a succession plan covering key positions which setting criteria and a transparent and fair selection process

for talented persons to appoint "Successor" with emphasis on personnel development to have leadership. There is also a set of monetary and non-monetary compensation.

#### Human Resource Development

Throughout 2020, the Company has Career Development Program in accordance with the Company's business plan as follows;

1. **Core Program** is fundamental course for operational practice including training of all employees such as orientation, legal practice and basic courses to support operation ; sales skills, customer data analysis, English communication or courses that have to keep up with the changes in social situation such as Data Management, Anti-Corruption policy and Risk Management program.

2. **Functional Program** is specialized courses such as data management & data analytics, customer engagement courses and Sales skills courses.

3. **Leadership Program** is a curriculum that focuses on developing skills and to manage a team from entry-level such as the supervisory skill, leadership attitude & leadership in action and strategic leadership courses that foster networking partnerships for future business.



And also **Compliance Program** is the fundamental course according legal provision for examples ; safety food sanitation courses, Fire fighting course and Talent program which is follow the Company's strategy and structure to prepare for a significant succession or future growth as a senior executive.

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 2020, the company's employees and executives have attended the mandatory training courses totally 11,829 hours including Environment and Sustainable Growth program 480 hours, excluding online training, the meeting via Zoom meeting. The Company develop system for reduce Employees' travel and transportation expense and increase the efficiency of accessing lifelong learning.



# Related Transactions

The Company and its subsidiaries have entered into transactions with connected persons in the ordinary course of business, based on general trading conditions and in alignment with the Security and Exchange Act (No. 4) B.E. 2551, Article 89/12 (1).

For approval process, the connected transactions shall be processed in the same practice as other general trading transactions with outside parties with the authorized executives designated and empowered to endorse up to a certain limit of budget according to their respective rank and position. The Audit and Risk Committee of the Company and its subsidiaries is responsible for reviewing the connected transactions every quarter to ensure no conflict of interest and maximize the overall company's benefits. Policy and future trend of connected transactions will continue to be based on normal business transactions and will follow the policy of the market determining prices in negotiated transactions, as in the past. No special benefit will accrue either to companies or relevant individuals from connected transactions.

For the period year ended 31 December 2020, the Company and its subsidiaries had the connected transactions which the auditors disclosed in the notes to audited financial statements and reviewed by the Audit and Risk Committee. The Audit and Risk Committee had an opinion that Management conducted such transaction for the benefit of the company at an arm's length basis with general trading conditions and reasonable price that compared with the general market price in such industry.

The connected transactions in 2020 are as follow

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 29.13% holding	<b>Revenue:</b>		
		1. Dividend income	134.69	The transaction is from investment.
		2. Other income	0.17	This is a normal business transaction.
		<b>Expense:</b>		
		1. Rental, service and utilities fee	4.53	To rent rental space to operate cinema and bowling business in Chachoengsao, Chang Wattana and Pattaya branches, approved by audit committee to be comparable to market price.
		2. Other expense	1.07	This is a normal business transaction.
		3. Interest expense from lease liabilities (included in finance costs)	0.51	The transaction is from lease liabilities.
		Trade account receivable	4.79	This is a normal business transaction.
		Other receivable	5.47	This is a normal business transaction.
		Deposits (included in other non-current assets)	0.39	This is a normal business transaction.
		Other payable	2.07	This is a normal business transaction.
		Lease liabilities	8.49	To rent rental space to operate cinema and bowling business in Chachoengsao branches, approved by audit committee to be comparable to market price.
Ratchayothin Avenue Co., Ltd.	Associates with 50% direct holding and 14.57% indirect holding through SF	<b>Expense:</b>		
		1. Utilities expense	0.08	This is a normal business transaction.
		2. Other expense	0.02	This is a normal business transaction.
		3. Interest expense from lease liabilities (included in finance costs)	0.03	The transaction is from lease liabilities.
		4. Interest expense (Include in Finance costs)	0.29	This is a normal business transaction and interest 2.25% per annum.
		Other payable	0.92	This is a normal business transaction.
		Short-term loan	12.80	The short-term loan bear interest 2.25% per annum.
		Lease liabilities	3.41	Rent rental space office which is a normal business transaction.
Major Cineplex Lifestyle Leasehold Property Fund	Associates with 33% holding	<b>Revenue:</b>		
		1. Management fee income	32.63	Property management fee which is a normal business transaction. Approved by Audit Committee to be comparable to market price.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transaction	Amount (million baht)	Major details/condition
Major Cineplex Life-style Leasehold Property Fund (cont.)		2. Utilities fee income	16.24	Utilities and service fee which is a normal business transaction. Approved by Audit Committee to be comparable to market price.
		3. Dividend income	40.84	The transaction is from investment.
		4. Other income	0.01	The transaction is from investment.
		<b>Expense:</b>		
		1. Service expense	147.98	Space service 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 lease liabilities (included in finance costs)	7.25	The transaction is from lease liabilities.
		3. Other expense	27.09	This is a normal business transaction.
		Trade account receivable	10.81	This is a normal business transaction.
		Other receivable	3.41	This is a normal business transaction.
		Deposits (included in other non-current assets)	3.32	This is a normal business transaction.
		Trade account payable	137.85	This is a normal business transaction.
		Other payable	1.51	This is a normal business transaction.
		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)	20.77	This is a normal business transaction.
		Lease liabilities	110.76	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.
Thai Ticket Major Co., Ltd.	Associates with 40.00% holding	<b>Expense:</b>		
		Other expense	4.05	This is a normal business transaction.
		Trade account payable	0.04	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)	Other payable	1.36	Money from selling ticket and payback next month
		<b>Revenue:</b>		
		Distribution fee	0.39	This is a normal business transaction.
		Trade account receivable	2.34	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)	<b>Revenue:</b> Management fee	0.03	This is a normal business transaction.
		<b>Expense:</b> Film hire cost	0.01	Cost from revenue sharing from theatrical release. This is a normal transaction.
Joint venture Khun Phaen Fah Feun	Joint ventures with 47.16% indirect holding through MPIC (MAJOR's subsidiary company)	<b>Revenue:</b> 1. Management fee	0.03	This is a normal business transaction.
		2. Distribution fee	0.15	This is a normal business transaction.
		Trade account receivable	0.45	This is a normal business transaction.
		Trade account payable	1.74	This is a normal business transaction.
Joint venture THAT MARCH	Joint ventures with 12.94% indirect holding through MPIC (MAJOR's subsidiary company)	<b>Revenue:</b> Distribution fee	0.08	This is a normal business transaction.
		Trade account receivable	0.08	This is a normal business transaction.
		Other payable	0.02	This is a normal business transaction.
Joint venture OUR LOVE FOREVER	Joint ventures with 12.94% indirect holding through MPIC (MAJOR's subsidiary company)	<b>Revenue:</b> Distribution fee	0.03	This is a normal business transaction.
		Trade account receivable	0.04	This is a normal business transaction.
		Other payable	0.10	This is a normal business transaction.
Joint venture CLAS-SIC AGAIN	Joint ventures with 36.06% indirect holding through MPIC (MAJOR's subsidiary company)	<b>Revenue:</b> 1. Advertising	0.14	The transaction is from investment.
		2. Distribution fee	0.02	This is a normal business transaction.
		<b>Expense:</b> Film hire cost	1.39	Cost from revenue sharing from theatrical release. This is a normal transaction.
		Trade account receivable	1.10	This is a normal business transaction.
Joint venture Keun Yuttitham	Joint ventures with 64.72% indirect holding through MPIC (MAJOR's subsidiary company)	<b>Revenue:</b> 1. Management fee	0.03	This is a normal business transaction.
		2. Distribution fee	2.62	This is a normal business transaction.
		<b>Expense:</b> Film hire cost	2.02	Cost from revenue sharing from theatrical release. This is a normal transaction.
		Trade account receivable	4.28	This is a normal business transaction.
		Trade account payable	12.83	This is a normal business transaction.
Joint venture Dang Prakanong	Joint ventures with 50.85% indirect holding through MPIC (MAJOR's subsidiary company)	<b>Revenue:</b> Management fee	0.03	This is a normal business transaction.
		Trade account receivable	0.14	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)	<b>Revenue:</b>		
		1. Management fee	0.09	This is a normal business transaction.
		2. Advertising	0.16	This is a normal business transaction.
		3. Distribution fee	0.98	This is a normal business transaction.
		<b>Expense:</b>		
		Other expense	0.11	This is a normal business transaction.
		Trade account receivable	1.42	This is a normal business transaction.
Transformation Film Co., Ltd.	Joint ventures with 32.07% indirect holding through MPIC (MAJOR's subsidiary company)	<b>Revenue:</b>		
		1. Management fee	0.09	This is a normal business transaction.
		2. Advertising	0.29	This is a normal business transaction.
		3. Distribution fee	1.08	This is a normal business transaction.
		<b>Expense:</b>		
		Film hire cost	6.27	Cost from revenue sharing from theatrical release. This is a normal transaction.
		Trade account receivable	5.42	This is a normal business transaction.
		Other receivable	0.11	This is a normal business transaction.
		Trade account payable	6.59	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)	<b>Revenue:</b>		
		Distribution fee	0.11	This is a normal business transaction.
		Trade account receivable	0.13	This is a normal business transaction.
		Trade account payable	2.13	This is a normal business transaction.
Joint venture Hug Terd Tueng	Joint ventures with 50.85% indirect holding through MPIC (MAJOR's subsidiary company)	<b>Revenue:</b>		
		1. Management fee	0.01	This is a normal business transaction.
		2. Advertising	0.05	This is a normal business transaction.
		<b>Expense:</b>		
		Film hire cost	2.03	Cost from revenue sharing from theatrical release. This is a normal transaction.
		Trade account receivable	0.22	This is a normal business transaction.
Joint venture Bikeman	Joint ventures with 64.72% indirect holding through MPIC (MAJOR's subsidiary company)	<b>Revenue:</b>		
		Management fee	0.01	This is a normal business transaction.
Joint venture Gang Tann Zine and Laan25 Naa24	Joint ventures with 64.72% indirect holding through MPIC (MAJOR's subsidiary company)	<b>Revenue:</b>		
		1. Management fee	0.02	This is a normal business transaction.
		2. Advertising	0.08	This is a normal business transaction.
		3. Distribution fee	2.55	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 Gang Tann Zine and Laan25 Naa24 (Cont.)		<b>Expense:</b>		
		Film hire cost	47.50	Cost from revenue sharing from theatrical release. This is a normal transaction.
		Trade account receivable	2.04	This is a normal business transaction.
		Trade account payable	10.00	This is a normal business transaction.
Joint venture Bikeman 2	Joint ventures with 50.85% indirect holding through MPIC (MAJOR's subsidiary company)	<b>Revenue:</b>		
		1. Management fee	0.01	This is a normal business transaction.
		2. Distribution fee	0.23	This is a normal business transaction.
		<b>Expense:</b>		
		Film hire cost	0.01	Cost from revenue sharing from theatrical release. This is a normal transaction.
		Trade account receivable	0.18	This is a normal business transaction.
		Trade account payable	0.39	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 Transformation Films Co., Ltd. (MAJOR's subsidiary company)	<b>Revenue:</b>		
		1. Management fee	0.02	This is a normal business transaction.
		2. Advertising	0.03	This is a normal business transaction.
		3. Distribution fee	0.09	This is a normal business transaction.
		<b>Expense:</b>		
		Film hire cost	2.98	Cost from revenue sharing from theatrical release. This is a normal transaction.
		Trade account receivable	0.51	This is a normal business transaction.
		Trade account payable	0.85	This is a normal business transaction.
Joint venture Atchariya Tong Sang	Joint ventures with 64.72% indirect holding through MPIC (MAJOR's subsidiary company)	<b>Revenue:</b>		
		1. Management fee	0.03	This is a normal business transaction.
		2. Distribution fee	0.20	This is a normal business transaction.
		Trade account receivable	0.01	This is a normal business transaction.
MacThai Co., Ltd.	90% holding by Poolvaraluk Family	<b>Revenue:</b>		
		1. Rental, service and utilities fee income	24.63	Rental space of MAJOR Group at Ratchayothin, Sukhumvit, Rangsit, and Metropolis branches. This is normal transaction and approved by audit committee to be comparable to market price.
		2. Advertising	14.13	This is a normal business transaction.
		3. Interest income	0.12	This is a normal business transaction.
		4. Other income	4.32	This is a normal business transaction.
		<b>Expense:</b>		
		1. Advertising	10.29	This is a normal business transaction.
		2. Other expense	0.44	This is a normal business transaction.
		Trade account receivable	1.38	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. (Cont.)		Other receivable	0.61	This is a normal business transaction.
		Trade account payable	0.14	This is a normal business transaction.
		Other payable	0.22	This is a normal business transaction.
		Advance receipt from land rental (included in other non-current liabilities)	5.01	This is a normal business transaction.
		Deposit receipt from property lease (included in other non-current liabilities)	5.53	This is a normal business transaction.
Mackenna Land Co., Ltd.	100% indirect holding through VP 39 Holding Co., Ltd. (Poolvaraluk Family's Company)	<b>Expense:</b>		
		1. Advertising	0.16	This is a normal business transaction.
		2. Other expense	4.83	This is a normal business transaction.
		Trade account receivable	0.02	This is a normal business transaction.
		Other receivable	0.91	This is a normal business transaction.
		Trade account payable	1.68	This is a normal business transaction.
Petch Pinklao Co., Ltd.	100% indirect holding through VP 39 Holding Co., Ltd. (Poolvaraluk Family's Company)	<b>Expense:</b>		
		1. Service and utilities fee	14.32	Space service to operate cinema and bowling businesses MAJOR Cineplex pinklao branch. This is a normal business transaction, approved by Audit Committee to be comparable to market price.
		2. Advertising	0.47	This is a normal business transaction.
		3. Other expense	9.94	This is a normal business transaction.
		4. Interest expense from lease liabilities (included in finance costs)	0.15	The transaction is from lease liabilities.
		Prepaid expense (included in "Other receivable")	2.20	This is a normal business transaction.
		Trade account payable	0.85	This is a normal business transaction.
		Lease liabilities	138.12	Rental space to operate cinema and bowling businesses MAJOR Cineplex pinklao branch. This is a normal business transaction, approved by Audit Committee to be comparable to market price.
Ratchayothin Avenue Management Co., Ltd.	14.57% Indirect holding through Siam Future Development Plc. and 50.00% Indirect holding through Ratchayothin Avenue Co., Ltd.	<b>Revenue:</b>		
		Management fee income	0.43	27,000 baht a month for manage ratchayothin branch. This is normal transaction and approved by audit committee to be comparable to market price.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transaction	Amount (million baht)	Major details/condition
Ratchayothin Avenue Management Co., Ltd. (Cont.)		<b>Expense:</b> Utilities expense	1.33	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	0.32	This is a normal business transaction.
Viracha Co., Ltd.	99.98% indirect holding through VP 39 Holding Co., Ltd. (Poolvaraluk Family's Company)	<b>Expense:</b> Other expense	6.50	This is a normal business transaction.
		Trade account payable	2.82	This is a normal business transaction.
		Other payable	1.53	This is a normal business transaction.
Veranda resort Plc.	Holding by Mrs. Paradee Poolvaraluk 2.96% and Mr. Verawat Ongvasith 26.14%	<b>Expense:</b> Other expense	0.57	This is a normal business transaction.
		Trade account payable	0.11	This is a normal business transaction.
Well Ad Co., Ltd.	Holding by Mr. Vicha Poolvaraluk 70.99% and Mrs. Paradee Poolvaraluk 29%	<b>Expense:</b> Management fee	2.20	Bt 1.10 million per month started from 1 January 2020 – 28 February 2020. Approved by Audit Committee. The agreed price as stipulated in the agreements and is no more than 1% of revenue with comparative less than compensation for Managing Director in listed companies.
		Prepaid expense (include in "Other receivable")	1.11	This is a normal business transaction.
Well Cineplex Co., Ltd.	Holding by Mr. Vicha Poolvaraluk's father 20%, Mr. Vicha Poolvaraluk's mother 20% and Mr. Vicha Poolvaraluk 10%	<b>Revenue:</b> Theatrical sharing revenue	0.03	Revenue sharing from theatrical release. This is a normal transaction.
		Trade account receivable	0.47	This is a normal business transaction.
Well Entertainment Part, Ltd.	Holding by Mr. Vicha Poolvaraluk's father 50%, Mr. Vicha Poolvaraluk's mother 10%	<b>Expense:</b> Utilities fee	0.01	This is a normal business transaction.
		Other payable	0.06	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
Viranda Beach Pattaya Co., Ltd.	Co-directors is Mr. Verawat Ongvasit	<b>Expense:</b>		
		Other expense	0.11	This is a normal business transaction.
		Trade account payable	0.06	This is a normal business transaction.
		Other payable	0.01	This is a normal business transaction.
Friend Aircraft Co., Ltd.	Holding by Mr. Vichapolvaraluk 25% and Mrs. Paradee Poolvaraluk 25%	<b>Expense:</b>		
		Other expense	1.85	This is a normal business transaction.
We Fitness Co., Ltd.	Holding by Mrs. Paradee Poolvaraluk 100%	<b>Revenue:</b>		
		1. Rental, service and utilities fee	15.15	To rent space in the building of the MAJOR Group.
		2. Other income	0.28	This is a normal business transaction.
		<b>Expense:</b>		
		1. Advertising	0.30	This is a normal business transaction.
		2. Other expense	5.48	This is a normal business transaction.
		Trade account receivable	6.25	This is a normal business transaction.
		Other receivable	0.34	This is a normal business transaction.
		Trade account payable	1.26	This is a normal business transaction.
SF Development Co., Ltd.	14.57% Indirect holding through Siam Future Development Plc.	<b>Expense:</b>		
		1. Service and utilities fee	3.94	Space service and utilities in Mega bangna branch. This is a normal business transaction, approved by Audit Committee to be comparable to market price.
		2. Other Expense	9.97	This is a normal business transaction.
		3. Interest expense from lease liabilities (included in finance costs)	13.52	The transaction is from lease liabilities.
		Deposits (included in other non-current assets)	14.52	This is a normal business transaction.
		Trade account payable	1.64	This is a normal business transaction.
		Other payable	6.59	This is a normal business transaction.
		Lease liabilities	259.38	Rental space to operate cinema in Mega bangna branch. This is a normal business transaction, approved by Audit Committee to be comparable to market price.
Siam Future Property Co., Ltd.	29.13% Indirect holding through Siam Future Development Plc.	<b>Expense:</b>		
		1. Rental, service and utilities fee	4.12	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.

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. (Cont.)		<b>Expense:</b>		
		1. Rental, service and utilities fee	4.12	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	0.15	This is a normal business transaction.
		Deposits (included in other non-current assets)	0.15	This is a normal business transaction.
		Other payable	2.19	This is a normal business transaction.
Mtel Solution Limited	Co-holding in subsidiary (Mtel (Thailand) Co., Ltd.) 30%	<b>Expense:</b>		
		Cost of sale	1.89	This is a normal business transaction.
Next Step Venture Limited	Co-holding in subsidiary (Mtel (Thailand) Co., Ltd.)	<b>Expense:</b>		
		Consultant fee	0.16	10,000 US Dollar per month.

# Major Shareholders

## Capital as of 31 December 2020

Registered Capital :	894,667,502 Baht
Common Stock	894,667,502 Shares (1 Baht per Share)
Paid-Up Capital :	894,667,502 Baht
Common Stock	894,667,502 Shares (1 Baht per Share)

## Top 10 Shareholders as of 31 December 2020

Shareholders	Shares	%
1. Mr. Vicha Poolvaraluk	265,040,100	29.62%
2. NORTRUST NOMINEES LTD-CL AC	79,556,800	8.89%
3. GIC PRIVATE LIMITED	53,633,500	5.99%
4. THE BANK OF NEW YORK MELLON	37,760,400	4.22%
5. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	34,293,380	3.83%
6. Thai NVDR Company Limited	33,537,680	3.75%
7. MORGAN STANLEY & CO. INTERNATIONAL PLC	30,594,800	3.42%
8. STATE STREET EUROPE LIMITED	21,751,650	2.88%
9. Mr. Visarut Poolvaraluk	19,601,800	2.19%
10. Mrs. Paradee Poolvaraluk	18,345,536	2.05%

## 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 19		31 Dec 20	
		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	-	250,900
7. Mr. Chai Jroongtanapibarn	Independent Director	672,500	-	672,500	-
8. Mr. Vallop Tangtrongjit <sup>1</sup>	Independent Director	-	-	-	-
9. Mr. Kraithip Krairiksh	Independent Director	-	-	-	-
10. Pol.Sub.Lt. Kriengsak Lohachala <sup>2</sup>	Independent Director	-	-	-	-
11. Dr. Satian Pooprasert	Independent Director	-	60,000	-	60,000
12. Mr. Prasert Bunsumpun <sup>3</sup>	Independent Director	-	-	-	-
13. Ms. Chonticha Chitraporn <sup>4</sup>	Independent Director	-	-	-	-
14. Mr. Kitikorn Poomsaeang	Chief Construction Officer	30,046	-	30,046	-
15. Mrs. Jinda Wantanahatai	Chief Retail Officer	88,665	-	88,665	-
16. Mr. Surachedh Assawaruenganun	Chief Media Officer	-	-	-	-
17. Mr. Apichart Kongchai	Chief Cinema Officer	27,740	-	27,740	-
18. Ms. Thitapat Issarapornpat	Chief Finance & Account Officer / The Company's secretary	40,040	-	40,040	-
19. Mr. Apirak Varachanonth	Chief People Officer	2,000	-	2,000	-
20. Mr. Narute Jiensnong	Chief Marketing Officer	27	-	27	-

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

<sup>1</sup>Mr. Vallop Tangtrongjit was resigned as Independent Director on 12 November 2020

<sup>2</sup>Pol.Sub.Lt. Kriengsak Lohachala was resigned as Independent Director on 24 July 2020

<sup>3</sup>Mr. Prasert Bunsumpub was appointed as Independent Director on 24 July 2020 in replacement of Pol.Sub.Lt. Kriengsak Lohachala

<sup>4</sup>Ms. Chonticha Chitraporn was appointed as Independent Director on 12 November 2020 in replacement of Mr. Vallop Tangtrongjit

# Corporate Social Responsibility Activities

## **Major Cineplex Group delivering gifts to children who attend the event at Government House**

Miss Pranee Sriprasert, Deputy Secretary-General to the Prime Minister for Political Affairs received the children's day gift cards, which gathered entertainment in one card, one free movie the other one free bowling game totalling 20,000 cards for deliver to children who attend the event.

## **Major Cineplex Group organize "Major National Teacher's Day"**

**Major Cineplex Group** recollect and reward the teacher by giving a free movie ticket to teachers just showing the teacher ID card or trainer card at Major Cineplex Group nationwide and free for application and extend member on M GEN Regular or M GEN Freedom for National Teacher Day.

## **Major Cineplex Group celebrate "2020 Chinese New Year"**

**Major Cineplex Group** celebrated 2020 Chinese New Year on 25-26 January 2020 for returning happiness just dressing Chinese costumes to get a free movie ticket 10,000 seats.

## **Major Cineplex Group glorified Veterans**

**Major Cineplex Group** and **The War Veterans Organization of Thailand** remember honor veterans on Veterans Day on 3 February 2018 for returning happiness to veterans just showing the veteran card and get a free movie ticket 10,000 seats.

## **Major Cineplex Group ready to be Green Cinema in collaboration with providing waste separation bins**

**Major Cineplex Group** conduct a Green Cinema campaigning and raising awareness to preserve the environment by encouraging customers to separate waste and

bring pet bottle to recycled plastic process. On February 2020, **MAJOR Group** donate pet bottles to Wat Chak Daeng, Samutprakarn turns 10,500 plastic bottles into 175 saffron robes.

## **Blood Hero vs Mother Gamer**

**Major Cineplex Group** and **Mother Gamer movie** invited customer and the general public to donate blood. This activity was organized to promote blood donation to ensure sufficient blood stock for the Thai Red Cross.

## **Sponsor for "N95 Masks and POPCORN To Go" contributed to medical professionals at Bamrasnaradura Infectious Diseases Institute**

**Major Cineplex Group** express our care and concern to medical professionals at Bamrasnaradura Infectious Diseases Institute, which gave N95 masks and Popcorn To Go, is supporting in the fight against COVID-19 Crisis.

## **Sponsor for "N95 Masks and POPCORN To Go" contributed to medical professionals at Ramathibodi Hospital**

**Major Cineplex Group** express our encouragement and solidarity with medical professionals at Ramathibodi Hospital, which gave N95 masks and Popcorn To Go, is supporting in the fight against COVID-19.

## **Major Cineplex Group and Thai Red Cross join blood drive After COVID-19 crisis, start to unravel**

**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 2020, there were 337 donors with 275 units blood donated.

**Donations for Vaccine COVID-19's Research and Development to Faculty of Medicine, Chulalongkorn University**

With our care and concern about the spread of the COVID-19 virus which is a global crisis, Major Cineplex Group was a part of supported "Vaccine Research and Development Fund" of the Faculty of Medicine, Chulalongkorn University with the campaign "Every purchase, everyone helps" by the sale of Popcorn and Soft Drink Set, Special Set and Super Size Set, contributing 5 baht per set to fund the COVID-19 Vaccine Research Center.

**Major Cineplex Group ready to be Green Cinema in collaboration with providing waste separation bins and transform to PPE**

Major Cineplex Group and Indorama Ventures Plc. conduct a Green Cinema campaigning and raising awareness to preserve the environment by encouraging customers to separate waste and transform pet bottle to recycled plastic process. On 2020, MAJOR Group gave pet bottles to Indorama Ventures Plc., main partner of Less Plastic Thailand network, gave 11,176 pet bottles (190 kgs.) to turns into 620 Personal Protective Equipment (PPE).



• **The operation which impact to CSR**

-None-





### Major Care Foundation Activities 2020

**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 15,867 children per year and disadvantaged elderly that over 60 years in Bangkok and upcountry in 2020.

During 8 years period, Major Care Foundation bring disadvantaged children to watch movie in cinema totaling 264,476 children and disadvantaged elderly totaling 47,246 elderly

**2. Major Care Foundation built movie centers** for 12 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 5 years period, Major Care Foundation has prepared and transfer a film room for learning includes 53 schools in 53 provinces.

**3. “Distribute survival bags to help people affected by the flood in Sukhothai Province** Major Care Foundation has visited the area to distribute survival bags to help flood victims and encourage villagers, Bang Kaeo community and Khlong Mae Ramphan community in Sukhothai Province, which is an area affected by the floods.

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, 2020 are reasonably trusted.



**Mr. Somjainuk Engtrakul**

Chairman of the Board



**Mr. Vicha Poolvaraluk**

Chief Executive Officer

# Management Discussion & Analysis

## Performance Overview in 2020

In 2020, overall economy was largely affected by the Coronavirus disease (COVID-19) outbreak globally, including the Thai economy, resulting a deep economic deceleration throughout the year. The Company has been pressured to Cinemas business, Media business and Film production due to consumption and investment of private sector was shorten in the meantime household purchasing power weakened from income.

Since 18<sup>th</sup> March 2020, all the cinemas of our group of companies must be temporarily closed, including bowling alleys, karaoke and ice skating rinks under the Emergency Decree on Public Administration in Emergency Situations to control epidemics. Business income significantly decreasing sharply even though the cinema and other services businesses got permitted to re-open since 1<sup>st</sup> June 2020 but still unable to operate at fully capacity. The main factor is the spread of the COVID-19 virus which still severe in most of film producer country. In fourth quarter, the Company businesses are getting better because of mitigation measures of COVID-19 restriction protocol continuously all over the country including the Company expenses management policy.

As mentioned situation, the Company has planned to implement the 3T strategy (Trading/Thai Movies/Technology) to improve business operation to be able to growth in another channel in popcorn distribution from cinema concession to household through online food delivery on mobile application such as Grab food, Lineman, Foodpanda and Gojek or even Shopee. There is also support and encouraging "Thai Movies" industry to increase their output and improving their quality, especially Thai movies that our group of companies has joint ventures with various partners which has already been proven to be successful such as the movie revenue in the 4th quarter of "E-Riam Sing" which earned more than 200 million baht.

At the end of the year 2020, the Company expanded 2 branches which the resulting in a total of 172 branches, 817 theaters over 60 provinces and also expand customer base of students with MPASS and MGEN membership program continuously. The Company operates its business under the frame of all stakeholders concerns and efficiency manage cashflow adequacy for ongoing business under COVID-19 situation.

## Analysis of Operating and Profitability

In year 2020, the Company and subsidiaries revenue are significantly decreasing from mentioned reason above which affected total revenue of 3,765 million baht, compare with the previous year (revised 2019) of amount 10,697 million baht, total revenue of the Company decreased in amount of 6,932 million baht or decreased 65% and net loss for this year (2020) amount 527 million baht, which compare with net profit of the previous year (revised 2019) of amount 1,407 million baht. The Company has net profit decreased 1,934 million baht or decreased 137%.

## Sales and Services Revenue and Other Income

### The Proportion of revenue from sales and services in 2020

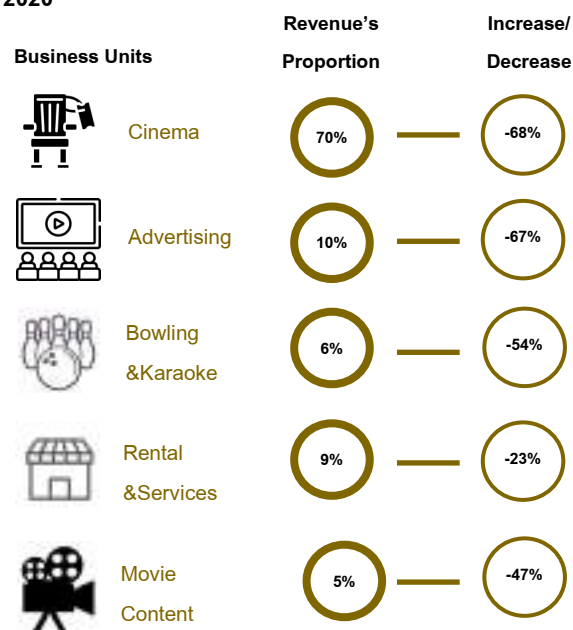




Table comparing revenue breakdown with the previous year

Business Units	2020		2019 (Restated)		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Cinema Business	2,648	70%	8,282	77%	(5,634)	(68%)
Advertising Business	390	10%	1,185	11%	(795)	(67%)
Bowling & Karaoke Business	217	6%	468	4%	(251)	(54%)
Retail & Services Business	334	9%	432	4%	(98)	(23%)
Movie Content Business	176	5%	330	3%	(154)	(47%)
<b>Total Revenues</b>	<b>3,765</b>	<b>100%</b>	<b>10,697</b>	<b>100%</b>	<b>(6,932)</b>	<b>(65%)</b>

Note: Revenue breakdown according to note in Financial Statement no.11 subject segment information

**Income from selling movie tickets and selling food & beverage of 2,648 million baht**, decreasing 5,634 million baht or 68% comparing with the previous year. Impact from cinemas temporarily closed and postpone of movie release even through the Company re-open and got income from many Thai movies.

**Income from advertising of 390 million baht**, decreasing 795 million baht or 67% comparing with the previous year. According to temporarily closed of cinemas and extension on service contracts.

**Income from bowling & karaoke of 217 million baht**, decreasing 251 million baht or 54% comparing with the previous year. The epidemic control measures as mentioned above effect bowling & karaoke businesses to temporarily closed including event and seminar.

**Income from rental and services of 334 million baht**, decreasing 98 million baht or 23% comparing with the previous year due to giving a discount rental fee to our clients as the Company's policy.

**Income from movie content of 176 million baht**, decreasing 154 million baht or 47% comparing with the previous year. From number of movies release reduced because of cinemas temporarily closed including the delay of film production according to the situation as mentioned above.

### **Cost of sales and Gross profits**

In 2020, the Company has total cost of 3,164 million baht decreasing 3,685 million baht or 54% from the previous year. (2019 : 6,849 million baht), portion of total revenue as 84% increased from the previous year. (2019 : 64% of total revenue) which rely on revenue decreased. Considering in the gross profits of amount 601 million baht decreased in amount of 3,247 million baht or 84% from the previous year and gross profit margin of 16% which declined from the previous year (2019 : gross profit margin 36%).

### **Selling and Administrative Expenses**

In year 2020, the Company has selling and administrative of 1,970 million baht decreasing 667 million baht or 25% from the previous year. (2019 : 2,637 million baht) and portion of total revenue as 52% increased from the previous year that has 25% of total revenue, the results of decreased from selling expenses 216 million baht according with advertising & promotion income decreased including efficiently managing and control of administrative expenses in the unusual situation on human resources, repair & maintenance and others expenses cause to decreased 451 million baht. Therefore, the Company were revise a impairment methodology of financial assets under the Thai Financial Reporting Standards no.9 (TFRS 9), for Financial Instruments. The impact of change were 70 million baht.

### **Financial costs**

The financial cost of 2020 was 175 million baht decreased 60 million baht or 25% comparing from the previous year (2019) mainly from interest of lease liabilities under Thai Financial Reporting Standards no.16 (TFRS 16) for leases decreasing in amount of 87 million baht which caused by rental discount received

### **Net loss**

From pandemic situation of Corona virus (COVID-19) impact to the Company performance in 2020 with net loss

of amount 527 million baht decreasing 1,934 million baht or 137% compare with the previous year and net loss per share was (0.59) baht per share (2019 : net profit 1,407 million baht, earning per share was 1.57 baht per share).

### **Return on equity**

Return on equity ratio as at 31<sup>st</sup> December 2020 was 7.64%, decreasing from the previous year with return on equity ratio of 19.42% effected by decreased profitability as mentioned above.

### **Asset management capability**

As at 31<sup>st</sup> December 2020, the Company has total assets of 17,678 million baht, consisting of current assets of 2,563 million baht and non-current assets of 15,115 million baht. The total assets decreased by 217 million baht or 1.21% compared to the 2019 Consolidated Financial Statements which the Company has total assets of 17,868 million baht. For Return on Assets ratio decline from the previous year 46.27% (2020) to 12.45% (2019), the change in value resulted from the following significant items;

- Cash and cash equivalent increased by 596 million baht from cash flow of financing activities.
- Trade accounts receivable decreased by 463 million baht mainly from received payment from advertising and media clients.
- Investment in associates and joint ventures increased by 662 million baht mainly increasing from share of profit of Siam Future Development PLC.
- Net property, plant and equipment decreased by 793 million baht mainly from accumulated depreciation increasing as an assets aging.
- Right-of-use assets decreased 208 million baht mainly from an amortization right-of-use during the period.

### Financial liquidity and capital adequacy

As at 31<sup>st</sup> December 2020, the Company has cash and cash equivalent of 1,557 million baht, increased from 31<sup>st</sup> December 2019 in amount of 596 million baht from activities as follow;

- **Net cash generated from operating activities of amount 202 million baht** consequence from the pandemic situation of Corona virus (COVID-19) as mentioned above, causing the Company cannot operate at full capacity.
- **Net cash used in investing activities of amount 282 million baht** main factors are from purchases of property, plant and equipment and paid for investment in associates.
- **Net cash received from financing activities of amount 671 million baht** are from net loan repayment to financial institutions in amount of 1,115 million baht which paid for principal elements of lease liabilities of 138 million baht, and dividend paid of 313 million baht.

#### Liquidity Ratio

As at 31<sup>st</sup> December 2020, the Company had current assets in amount of 2,563 million baht and current liabilities of 5,009 million baht and Liquidity ratio increased from 0.45times to 0.51times and Quick ratio increased from 0.38times to 0.43times. Therefore, the Company has a sufficient source of short-term funds to maintain liquidity in the form of overdraft and short-term bill.

#### Capital Structure

In 2020, the Company had financial funding to maintain liquidity mainly from financial institutions. As at 31<sup>st</sup> December 2020, Debt-to-Equity ratio according to the terms of rights which excluding lease liabilities that increased from 1.00times to 1.25times. However, the terms of rights and duties to issue debenture require the

Company to maintain loan covenant not over 1.5 times which the Company's financial status still strong to maintain the ratio not to exceed as the requirement.

#### Shareholders' Equity

As at 31<sup>st</sup> December 2020, the Shareholders' equity amount of 6,626 million baht consist of shareholders' equity of the parent Company amount 6,482 million baht and non-controlling interests amount 144 million baht, a total decreased of 845 million baht or 11.42% compared to restated annual financial statement 2019, which the Company's Shareholders' equity of 7,480 million baht mainly factors are from operating loss in amount of 527 million baht and dividends paid 313 million baht.

#### Capital Expenditure

In 2020, the Company has net capital expenditure 526 million baht with objective to acquire assets for cinemas expansion, renovate & modernize current branches and increasing investment in associates company and joint ventures in Thai movie production according to branches expansion into upcountry area including to support Thai film industry to growth even more by funding from operating cash flow and financial institutions fund.

#### Funding and the ability to repay

At present, the Company acquires financing both short-term and long-term from financial institutions which has been ranking by TRIS rating annually and per issuing of the debt securities with the loan covenant not over 1.5 times of the debt to equity ratio. In 2020, the TRIS rating assigned the Company's credit rating to "A" (Single A Straight) evenmore the rating has change from Stable to Negative from uncertainty and severe impact of the pandemic of corona virus 2019 (COVID-19) which effect the Company's performance but hopefully the Company will be strongly recover in 2021 from the blockbuster movie that has been postponed their released from 2020 to 2021.

## Liabilities

The total liabilities of the Company as at 31<sup>st</sup> December 2020 in amount 11,052 million baht, consist of current liabilities amount 5,009 million baht and non-current liabilities amount 6,043 million baht. The Company has total liabilities increased by 664 million baht or 6.40% compared to the restated 2019 annual financial statements, ended 31<sup>st</sup> December 2019 which increased from significant factor as follow;

- Loans from financial institutions net increased by 1,131 million baht.
- Trade account payable and other payables decreased by 349 million baht because of the Company temporarily closed.
- Lease liabilities decreased by 190 million baht mainly from received discount rental.

## Factors or events that may affect financial status or future operations

Impact from pandemic deflation and uncertainty situation, the Company construct an annual operation plan with management under microscope, monitoring and control in every month which make the Company to be able to respond or adapt in time for every situation its may

happen including risk management plan that setting an acceptable risk level and focus on creating of contents or products and services distribution channels that are interesting and meet our customers needs. Modernize and improve cinemas, products both quality and pricing with efficiently costs and expenses management to maximize gross profit, minimize impact on business performance and all stakeholder but also execute expansion plan with caution in 2021 which the Company planning the domestic branches expansion such as

1. Lotus Nikom Bangkok, Prathumthani province, invest 2 theater
2. Surin Plaza, Surin province, invest 4 theater
3. Lotus Hatyai, Songkhla province, invest 2 theater
4. Big C Bo Win, Chonburi province, invest 3 theater
5. Central Sriracha, Chonburi province, invest 5 theater

(Note: Branches are subject to change as appropriate.)

Which all projects investment and renovation of existing branches are for customers satisfaction. The Company's budget is estimated around 300 million baht by financial institutes funding and/or issuing debenture and/or cash flow from operation.

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

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**CONSOLIDATED AND  
SEPARATE FINANCIAL STATEMENT**

31 DECEMBER 2020

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## 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 and the separate financial statements present fairly, in all material respects, the consolidated financial position of Major Cineplex Group Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2020, 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 (TFRS).

#### What I have audited

The consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2020;
- 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 significant accounting policies and other explanatory information.

#### 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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions 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 that implementation of TFRS 16 Lease is a key audit matter. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.



Key audit matter	How my audit addressed the key audit matter
<p><b>Implementation of TFRS 16 Lease</b></p> <p>Refer to note 4 New standards adopted by the Group.</p> <p>TFRS 16 - Leases becomes effective for financial reporting beginning on or after 1 January 2020.</p> <p>As at 31 December 2020, the application of the new standard gives rise to a right-of-use asset of Baht 2,663 million, a financial lease receivable of Baht 14 million and a corresponding increase in lease liabilities of Baht 2,482 million, representing 15.14% of total assets and 24.93% of total liabilities, respectively.</p> <p>The Group decided to apply the retrospective approach for the transition accounting. Where the contract meets the recognition criteria of leases, the Group recognises the right-of-use asset with corresponding liability determined by the present value of future payments over the duration period of the leases.</p> <p>In addition, the Group has chosen to apply the temporary exemptions to relieve the impact from COVID-19 announced by the Federation of Accounting Professions. When obtaining reductions on rents, the Group will reduce lease liabilities and reversed depreciation charges on the right-of-use assets and interest expenses on the lease liabilities in the proportion of the reductions to the lease payments instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.</p> <p>I focus on the implementation of TFRS16 Lease because the impact to the financial statements is material, the implementation process to identify and process all relevant data associated with the leases is complex and the measurement of the right-of-use asset and lease liability is based on management assumptions such as lessee's incremental borrowing rate and the lease terms, including renewal and termination options.</p>	<p>My audit procedures included in particular:</p> <ul style="list-style-type: none"> <li>• an evaluation of management implementation process, including the assessment of updated accounting policies adopted by the Group for leases and compliance of these policies with the requirements of the standard;</li> <li>• an understanding of how management ensured the completeness and accuracy of the lease identified and relevant accounting transactions of right-of-use asset and lease liability;</li> <li>• a verification of the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information and an assessment of the mathematical accuracy by recalculating the carrying amounts of right-of-use asset and lease liability of the selected samples. The verification of the accuracy includes information for calculating discounts according to the exemption from the temporary measures to relieve the impact from COVID-19;</li> <li>• a consideration on the completeness of the lease data by testing the reconciliation of the lease liability to operating lease commitments disclosed in the 2019 financial statements and by considering if, based on other information obtained during the course of the audit, there are any other contracts which may contain a lease;</li> <li>• a test on sample basis to evaluate management assumptions, specifically on the assumptions used to determine the lessee's incremental borrowing rate, and the assessment of renewal and termination options; and</li> <li>• an assessment of the accuracy and completeness of disclosures (including the impact of the first time adoption of TFRS16 presented in note 6) in the consolidated and separate financial statements.</li> </ul> <p>From the above procedures performed, I did not note any significant issue from the implementation of TFRS16 Lease, and the assumptions management applied in determination of right-of-use assets and lease liabilities are reasonable.</p>

### Emphasis of matters

I draw attention to note 4 to note 6 of the financial statements, which describe the following:

1. The adoption of new financial reporting standards relating to financial instruments and leases and the effects from the adoption.
2. The changes in accounting policies regarding investment property measurement which changes from cost model to fair value model, and the carrying value of investments in subsidiaries, associates and joint ventures which changes from cost method to equity method, and the effects from the changes.
3. The accounting policies in relation to adoption of the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ended between 1 January 2020 and 31 December 2020.

My opinion is not modified in respect to these matters.

### 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 TFRS, 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's 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's 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's 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's 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  
16 February 2021

**Major Cineplex Group Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2020**

		Unit: Baht					
		Consolidated financial statements			Separate financial statements		
		(Restated)	(Restated)		(Restated)	(Restated)	
		31 December	31 December	1 January	31 December	31 December	1 January
Notes		2020	2019	2019	2020	2019	2019
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	12	1,557,306,217	961,742,096	596,315,184	1,378,292,980	715,064,915	390,530,766
Trade accounts and other receivables	13	591,588,073	1,054,935,388	1,161,281,382	581,095,558	585,477,277	1,204,345,331
Short-term loans to related parties	44	2,251,390	463,000	1,304,000	213,020,297	239,714,396	289,276,725
Inventories	15	117,979,325	121,393,978	128,739,103	76,873,734	73,107,179	84,149,350
Films under production		131,854,769	117,417,458	192,191,178	-	-	-
Current portion of prepaid services	26	1,875,600	2,875,600	2,875,600	1,875,600	1,875,600	1,875,600
Other current assets	16	160,121,931	115,557,487	121,241,529	44,947,725	37,780,292	40,108,809
<b>Total current assets</b>		<b>2,562,977,305</b>	<b>2,374,385,007</b>	<b>2,203,947,976</b>	<b>2,096,105,894</b>	<b>1,653,019,659</b>	<b>2,010,346,581</b>
<b>Non-current assets</b>							
Investment in debt instrument	14	27,094,220	-	-	-	-	-
Finance lease receivables		13,943,761	10,417,760	10,973,930	-	-	-
Investment in subsidiaries	17	-	-	-	2,419,039,799	2,878,548,424	3,222,266,141
Investment in associates	18	6,249,303,017	5,588,874,407	4,795,178,209	6,204,746,784	5,545,841,629	4,784,713,598
Interests in joint ventures	19	49,582,698	67,394,947	75,176,404	-	-	-
Long-term loans to related parties	44	1,900,000	3,201,603	1,801,803	180,400,000	227,984,900	271,584,900
Investment property	20	480,954,379	489,817,288	567,414,135	-	-	-
Property, plant and equipment	21	5,160,804,349	5,954,215,424	6,488,686,082	3,641,473,912	4,176,297,431	4,412,614,574
Right-of-use assets	22	2,662,503,000	2,870,698,939	3,110,133,410	2,024,469,780	2,246,427,837	2,409,368,517
Goodwill	23	-	75,140,624	130,140,624	-	-	-
Intangible assets	24	149,649,215	137,367,243	122,236,134	97,833,109	78,995,901	50,222,754
Deferred income tax assets	25	109,906,737	69,983,355	49,501,131	-	-	-
Long-term prepaid services	26	54,790,976	35,262,735	27,749,447	54,325,680	31,026,700	22,902,300
Other non-current assets	27	154,805,205	192,985,459	188,061,805	105,719,822	143,403,061	146,747,748
<b>Total non-current assets</b>		<b>15,115,237,557</b>	<b>15,493,359,764</b>	<b>15,567,062,914</b>	<b>14,708,008,986</b>	<b>15,328,525,883</b>	<b>15,320,420,532</b>
<b>Total assets</b>		<b>17,678,214,862</b>	<b>17,867,744,771</b>	<b>17,771,000,890</b>	<b>16,804,114,880</b>	<b>16,981,545,542</b>	<b>17,330,767,113</b>

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

**Major Cineplex Group Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2020**

Unit: Baht

		Consolidated financial statements			Separate financial statements			
		(Restated)	(Restated)		(Restated)	(Restated)		
		31 December	31 December	1 January	31 December	31 December		
Notes		2020	2019	2019	2020	2019		
Liabilities and equity								
Current liabilities								
Bank overdrafts and short-term								
	borrowings from financial institutions	29	1,782,313,730	2,118,578,162	1,418,172,442	1,747,038,674	2,096,302,035	1,398,179,689
	Trade accounts and other payables	28	1,395,315,736	1,744,687,540	2,059,744,621	898,799,165	1,247,391,241	1,532,868,000
	Current portion of contract liabilities	37	632,628,408	645,327,621	392,922,428	475,066,444	435,376,465	338,727,500
	Current portion of long-term borrowings	29	845,000,000	383,000,000	588,000,000	845,000,000	383,000,000	588,000,000
	Current portion of lease liabilities	29	272,671,139	247,898,188	209,335,742	172,890,778	162,209,429	129,983,755
	Short-term loans from related parties	44	12,800,000	12,800,000	14,500,000	990,113,952	967,425,068	1,411,026,429
	Accrued income tax		17,846,400	79,539,863	95,316,900	-	9,489,503	45,879,895
	Other current liabilities	30	50,491,095	116,034,033	101,978,503	10,986,000	53,985,159	51,415,638
	<b>Total current liabilities</b>		<b>5,009,067,409</b>	<b>5,247,656,607</b>	<b>4,879,970,636</b>	<b>5,148,895,023</b>	<b>5,355,178,898</b>	<b>5,497,080,816</b>
Non-current liabilities								
Long-term borrowings from financial								
	institutions	29	2,505,000,000	1,500,000,000	1,883,000,000	2,505,000,000	1,500,000,000	1,883,000,000
	Lease liabilities	29	2,481,909,304	2,672,475,728	2,859,460,385	1,889,954,037	2,062,944,942	2,170,523,656
	Deferred income tax liabilities	25	241,580,572	310,243,580	223,792,422	128,620,994	203,658,282	103,646,735
	Employee benefit obligations	31	75,060,299	77,394,360	61,376,737	52,711,807	54,457,229	41,977,548
	Contract liabilities	37	15,854,892	20,867,803	27,435,096	-	-	-
	Other non-current liabilities	32	723,707,614	559,295,000	559,431,225	431,100,884	267,856,934	258,467,953
	<b>Total non-current liabilities</b>		<b>6,043,112,481</b>	<b>5,140,078,499</b>	<b>5,614,495,865</b>	<b>5,007,387,722</b>	<b>4,088,917,387</b>	<b>4,457,517,892</b>
	<b>Total liabilities</b>		<b>11,052,179,890</b>	<b>10,387,735,106</b>	<b>10,494,466,501</b>	<b>10,156,282,745</b>	<b>9,444,096,285</b>	<b>9,954,598,708</b>

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



**Major Cineplex Group Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2020**

		Unit: Baht					
		Consolidated financial statements			Separate financial statements		
		(Restated)	(Restated)		(Restated)	(Restated)	
		31 December	31 December	1 January	31 December	31 December	1 January
Notes		2020	2019	2019	2020	2019	2019
<b>Liabilities and equity (Cont'd)</b>							
<b>Equity</b>							
<b>Bank overdrafts</b>							
<b>Share capital</b>							
Authorised share capital							
Ordinary shares 804,667,502 shares							
par value of Baht 1 each							
(1 January 2019 - Ordinary shares							
804,667,502 shares par value							
of Baht 1 each)							
33		894,667,502	894,667,502	896,266,347	894,667,502	894,667,502	896,266,347
Issued and fully paid-up share capital							
Ordinary shares 804,667,502 shares							
paid-up of Baht 1 each							
33		804,667,502	804,667,502	804,667,502	804,667,502	804,667,502	804,667,502
Share premium	33	4,055,609,113	4,055,609,113	4,055,609,113	4,055,609,113	4,055,609,113	4,055,609,113
Share premium - treasury share		288,424,625	288,424,625	288,424,625	288,424,625	288,424,625	288,424,625
Warrants	34	-	4,537,662	4,537,662	-	-	-
<b>Retained earnings</b>							
Appropriated - legal reserve							
35		90,600,000	90,600,000	90,600,000	90,600,000	90,600,000	90,600,000
Unappropriated							
		1,547,166,007	2,389,518,144	2,203,629,426	1,340,682,975	2,236,329,382	2,057,295,549
Other components of equity		(394,084,733)	(399,710,070)	(381,362,193)	(22,132,080)	(28,181,365)	(10,429,384)
<b>Equity attributable to</b>							
owners of the parent							
		6,482,382,514	7,333,546,976	7,156,106,130	6,647,832,135	7,537,449,257	7,375,168,405
Non-controlling interests	36	143,652,458	146,354,689	120,428,269	-	-	-
<b>Total equity</b>							
		6,626,034,972	7,480,001,665	7,276,534,399	6,647,832,135	7,537,449,257	7,375,168,405
<b>Total liabilities and equity</b>							
		17,578,214,862	17,867,744,771	17,771,000,890	16,904,114,880	16,961,545,542	17,330,767,113

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



Major Cineplex Group Public Company Limited  
Income Statement  
For the year ended 31 December 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		(Restated)		(Restated)	
Notes		2020	2019	2020	2019
<b>Revenues</b>					
Services income		2,868,055,583	8,276,935,407	1,713,359,391	5,044,637,395
Sales		897,171,688	2,420,165,968	552,938,788	1,590,399,880
<b>Total revenues</b>		<b>3,765,227,271</b>	<b>10,697,101,373</b>	<b>2,266,298,179</b>	<b>6,635,037,275</b>
<b>Costs</b>					
Cost of providing services		(2,683,729,829)	(5,856,669,150)	(1,687,486,495)	(3,842,746,220)
Cost of sales		(480,185,500)	(992,385,272)	(214,569,920)	(528,572,134)
<b>Total costs</b>		<b>(3,163,915,329)</b>	<b>(6,849,054,422)</b>	<b>(1,902,056,415)</b>	<b>(4,371,318,354)</b>
<b>Gross profit</b>		<b>601,311,942</b>	<b>3,848,046,951</b>	<b>364,241,764</b>	<b>2,283,718,921</b>
Other operating income	38	171,206,242	132,944,105	160,033,064	141,056,311
Selling expenses		(325,935,213)	(542,366,533)	(195,197,656)	(347,163,355)
Administrative expenses		(1,574,299,775)	(2,094,981,805)	(1,141,106,706)	(1,299,978,223)
Expected credit loss		(70,140,609)	-	(14,749,885)	-
Finance costs	40	(174,635,193)	(234,372,850)	(193,283,497)	(246,292,199)
Share of profit of investments in associates and joint ventures	17, 18, 19	739,785,322	679,677,560	446,063,920	1,087,478,994
<b>Profit (loss) before income tax</b>		<b>(632,707,284)</b>	<b>1,788,947,428</b>	<b>(573,998,996)</b>	<b>1,598,820,449</b>
Income tax	41	92,501,154	(354,979,356)	71,750,063	(209,856,080)
<b>Profit (loss) for the year</b>		<b>(540,206,130)</b>	<b>1,433,968,072</b>	<b>(502,248,933)</b>	<b>1,388,964,369</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		(527,492,608)	1,406,933,008	(502,248,933)	1,388,964,369
Non-controlling interests		(12,713,522)	27,035,064	-	-
		<b>(540,206,130)</b>	<b>1,433,968,072</b>	<b>(502,248,933)</b>	<b>1,388,964,369</b>
<b>Earnings per share</b>					
42					
Basic earnings (loss) per share		(0.59)	1.57	0.56	1.55

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

Major Cineplex Group Public Company Limited  
Statement of Comprehensive Income  
For the year ended 31 December 2020

Unit: Baht				
Note	Consolidated financial statements		Separate financial statements	
	(Restated)		(Restated)	
	2020	2019	2020	2019
<b>Profit (loss) for the year</b>	(540,206,130)	1,433,968,072	(502,248,933)	1,388,984,369
<b>Other comprehensive income (expense):</b>				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of employee benefit obligations	-	(3,980,389)	-	(2,667,822)
Share of comprehensive loss of associates and joint ventures according to equity method	-	(62,932)	-	-
Income tax relating to the above items	-	796,078	-	533,564
	-	(3,247,243)	-	(2,134,258)
Items that will be reclassified subsequently to profit or loss				
Currency translation differences	7,787,968	(30,208,409)	6,029,285	(17,751,981)
Share of comprehensive income (loss) of associates and joint ventures according to equity method	48,999	(450,216)	-	-
	7,836,967	(30,658,625)	6,029,285	(17,751,981)
<b>Total other comprehensive income (expense) for the year, net of income tax</b>	7,836,967	(33,905,868)	6,029,285	(19,886,239)
<b>Total comprehensive income (expense) for the year</b>	<u>(532,369,163)</u>	<u>1,400,062,204</u>	<u>(496,219,648)</u>	<u>1,369,078,130</u>
<b>Total comprehensive income (expense) attributable to:</b>				
Owners of the parent	(521,867,271)	1,385,980,673	(496,219,648)	1,369,078,130
Non-controlling interests	35 (10,501,892)	14,081,531	-	-
	<u>(532,369,163)</u>	<u>1,400,062,204</u>	<u>(496,219,648)</u>	<u>1,369,078,130</u>

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 2020

Consolidated financial statements											Unit: Baht
Attributable to owners of the parent											
Notes	Issued and paid-up share capital	Share premium	Treasury shares	Share premium - Treasury shares	Retained earnings		Change in parent's ownership interest in subsidiaries		Other components of equity		Total equity
					Accumulated	Legal reserve	Unappropriated	Warrants	Translation of financial statements	Total other component of equity	
<b>Opening balance as at 31 December 2019 - previously reported</b>	894,607,502	4,055,000,113	288,404,825	4,537,662	90,800,000	1,557,471,803	(371,032,814)	(10,420,384)	(381,362,186)	6,925,948,687	8,632,462,529
Retrospective adjustments from changes in accounting policy by full retrospective approach	-	-	-	-	-	646,167,463	-	-	-	646,167,463	646,167,463
<b>Opening balance as at 1 January 2019 - restated</b>	894,607,502	4,055,000,113	288,404,825	4,537,662	90,800,000	2,203,639,266	(371,032,814)	(10,420,384)	(381,362,186)	7,156,106,130	7,276,536,369
<b>Changes in equity during the year</b>	-	-	-	-	-	-	(842,549)	-	(842,549)	(842,549)	(797,850)
Disposal of investment in subsidiary	-	-	-	-	-	-	-	-	-	-	12,000,000
Non-controlling interests invested in subsidiary	-	-	-	-	-	-	-	-	-	-	12,000,000
Dividends	-	-	-	-	-	(1,207,797,278)	-	-	-	(1,207,797,278)	-
Total comprehensive income (expense) for the year	-	-	-	-	-	1,403,880,586	-	-	(17,705,323)	1,386,175,263	1,400,162,204
<b>Closing balance as at 31 December 2019</b>	894,607,502	4,055,000,113	288,404,825	4,537,662	90,800,000	2,399,518,146	(371,032,814)	(26,134,707)	(399,710,070)	7,333,646,876	7,480,001,885
<b>Opening balance as at 31 December 2019 - previously reported</b>	894,607,502	4,055,000,113	288,404,825	4,537,662	90,800,000	1,510,455,767	(371,032,814)	(22,885,242)	(384,600,605)	6,435,634,044	8,000,744,588
Retrospective adjustments from changes in accounting policy by full retrospective approach	-	-	-	-	-	883,062,397	-	-	(5,049,493)	878,012,904	873,257,077
<b>Opening balance as at 31 December 2019 - restated</b>	894,607,502	4,055,000,113	288,404,825	4,537,662	90,800,000	2,399,518,146	(371,032,814)	(26,134,707)	(399,710,070)	7,333,646,876	7,480,001,885
Retrospective adjustments from changes in accounting policy by modified retrospective approach	-	-	-	-	-	(19,271,478)	-	-	-	(19,271,478)	(19,271,478)
<b>Opening balance as at 1 January 2020 - restated</b>	894,607,502	4,055,000,113	288,404,825	4,537,662	90,800,000	2,380,246,668	(371,032,814)	(26,134,707)	(399,710,070)	7,317,375,498	7,463,730,187
<b>Changes in equity during the year</b>	-	-	-	-	-	-	-	-	-	-	6,000,000
Non-controlling interests invested in subsidiary	-	-	-	-	-	263	-	-	-	263	1,798,944
Disposal of investment in subsidiary	-	-	-	-	-	(313,125,866)	-	-	-	(313,125,866)	(313,125,866)
Dividends	-	-	-	-	-	4,537,862	-	-	-	4,537,862	-
Warrants	-	-	-	-	-	(527,692,808)	-	-	-	(527,692,808)	(527,692,808)
Total comprehensive income (expense) for the year	-	-	-	-	-	1,647,166,007	(371,032,814)	(22,885,242)	(399,710,070)	6,482,382,514	6,626,034,972
<b>Closing balance as at 31 December 2020</b>	894,607,502	4,055,000,113	288,404,825	4,537,662	90,800,000	1,647,166,007	(371,032,814)	(22,885,242)	(399,710,070)	6,482,382,514	6,626,034,972

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 (Cont'd)  
For the year ended 31 December 2020

Separate financial statements											Unit: Baht
	Notes	Issued and paid-up share capital	Share premium	Share premium-Treasury share	Retained earnings		Other components of equity				
					Appropriated	Legal reserve	Unappropriated	Other comprehensive income (expense)			
								Translation of financial statements			Total other component of equity
Opening balance as at 31 December 2018 - previously reported											
Retrospective adjustments from changes in accounting policy by full retrospective approach		804,667,502	4,055,609,113	288,424,625	90,600,000	1,204,015,159	-	-	-	-	6,533,316,360
Retrospective adjustments from changes in accounting policy by full retrospective approach											
Opening balance as at 1 January 2019 - restated											
6		804,667,502	4,055,609,113	288,424,625	90,600,000	2,057,206,540	(10,429,384)	(10,429,384)	(10,429,384)	(10,429,384)	642,652,006
Changes in equity during the year											
Dividends	43	-	-	-	-	(1,207,797,278)	-	-	-	-	(1,207,797,278)
Total comprehensive income (expense) for the year		-	-	-	-	1,380,830,111	(17,751,981)	(17,751,981)	(17,751,981)	(17,751,981)	1,369,078,130
Closing balance as at 31 December 2019											
		804,667,502	4,055,609,113	288,424,625	90,600,000	2,236,329,362	(28,181,365)	(28,181,365)	(28,181,365)	(28,181,365)	7,537,449,257
Opening balance as at 31 December 2019 - previously reported											
Retrospective adjustments from changes in accounting policy by full retrospective approach		804,667,502	4,055,609,113	288,424,625	90,600,000	1,354,736,120	-	-	-	-	6,684,037,360
Retrospective adjustments from changes in accounting policy by full retrospective approach											
Opening balance as at 31 December 2019 - restated											
6		804,667,502	4,055,609,113	288,424,625	90,600,000	2,236,329,362	(28,181,365)	(28,181,365)	(28,181,365)	(28,181,365)	653,411,857
Retrospective adjustments from changes in accounting policy by modified retrospective approach											
Opening balance as at 1 January 2020 - restated											
6		804,667,502	4,055,609,113	288,424,625	90,600,000	2,156,057,904	(28,181,365)	(28,181,365)	(28,181,365)	(28,181,365)	7,537,449,257
Changes in equity during the year											
Dividends	43	-	-	-	-	(80,271,478)	-	-	-	-	(80,271,478)
Total comprehensive income (expense) for the year		-	-	-	-	(502,248,933)	6,029,285	6,029,285	6,029,285	6,029,285	(513,125,996)
Closing balance as at 31 December 2020											
		804,667,502	4,055,609,113	288,424,625	90,600,000	1,340,662,975	(22,152,080)	(22,152,080)	(22,152,080)	(22,152,080)	6,647,832,135

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



Major Cineplex Group Public Company Limited  
Statement of Cash Flows  
For the year ended 31 December 2020

					Unit: Baht
	Notes	Consolidated financial information		Separate financial information	
		2020	(Restated) 2019	2020	(Restated) 2019
<b>Profit (loss) before income tax</b>		(632,707,284)	1,788,947,428	(573,998,906)	1,598,820,449
<b>Adjustments for:</b>					
Depreciation and amortisation		1,241,744,229	1,570,025,094	742,533,180	915,229,524
Expected credit loss	14	70,140,609	-	14,749,886	-
Loss on write-off of other assets		22,259,429	32,879,037	12,782,686	18,172,499
Reversal of provision for sales returns	39	(150,000)	(1,795,057)	-	-
Loss on diminution in value of inventories	39	8,982,916	3,409,242	1,300,000	491,363
Provision for litigation		159,350,000	-	159,350,000	-
Loss on impairment of film under production	39	33,410,822	10,000,000	-	-
Loss on revaluation of investment property	39	6,911,895	77,864,951	-	-
(Gain) loss from disposals of equipment and intangible assets		(1,396,233)	13,232,070	1,115,285	1,787,340
Loss on write-off of investment property, equipment and intangible assets	39	6,694,701	12,799,210	2,544,813	7,498,878
Loss on impairment of plant, equipment and intangible assets	39	41,284,126	66,364,350	-	-
Leases payment discount		26,584,100	-	26,118,952	-
Loss on impairment of goodwill	39	75,140,624	55,000,000	-	-
(Gain) loss on disposals of investments in subsidiary, associate and joint venture		23,604,471	(11,580,936)	18,988,650	(11,577,419)
Shares of profit from subsidiaries, associates and joint ventures	17, 18, 19	(739,785,322)	(679,677,560)	(446,063,920)	(1,087,478,994)
Loss on impairment of investment in subsidiaries, associates and joint ventures	17, 18, 19	15,313,250	15,647,623	81,911,426	4,579,695
Advance income - loyalty program		(169,338)	(180,164)	(169,338)	(180,164)
Employee benefit obligations	31	6,742,468	18,829,261	4,381,753	13,861,301
Unrealised loss(gain) on exchange rate		2,369,818	2,070,690	144,521	(239,205)
Interest income		(14,884,156)	(7,583,832)	(25,491,303)	(31,007,191)
Financial costs		174,635,193	234,372,850	193,283,497	246,292,199
<b>Changes in operating assets and liabilities:</b>					
- trade and other receivables		371,788,971	97,338,029	155,172,439	221,228,530
- inventories		(13,926,524)	2,448,613	(5,066,555)	10,550,808
- films under productions		(149,063,506)	(158,367,490)	-	-
- other current assets		(11,515,932)	8,970,832	12,984,096	(724,220)
- finance lease receivables		1,325,930	1,297,293	-	-
- other non-current assets		(18,326,655)	(15,424,571)	(18,522,131)	(11,491,729)
- trade and other payables		(238,522,564)	(92,385,019)	(299,871,613)	(53,632,005)
- other current liabilities		(56,733,261)	23,583,495	(25,768,651)	2,775,016
- contract liabilities		90,439,015	145,638,200	31,628,808	96,648,965
- other non-current liabilities		(12,437,414)	(18,884,844)	(13,606,048)	(2,692,374)
- employee benefit paid		(9,072,133)	(5,769,434)	(6,127,175)	(4,049,442)
<b>Cash flows generated from operating activities</b>		<b>482,632,045</b>	<b>3,195,069,360</b>	<b>84,304,202</b>	<b>1,934,839,633</b>

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

Major Cineplex Group Public Company Limited  
Statement of Cash Flows (Cont'd)  
For the year ended 31 December 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		(Restated)		(Restated)	
Notes		2020	2019	2020	2019
<b>Cash flows from operating activities</b>					
Cash generated from operations		482,032,045	3,195,069,360	84,304,202	1,934,839,633
Interest paid		(159,059,307)	(212,476,462)	(178,448,749)	(240,719,949)
Income tax paid		(120,545,284)	(325,240,637)	(32,022,267)	(146,603,271)
Net cash generated from (used in) operating activities		202,427,454	2,657,352,261	(126,166,814)	1,547,516,413
<b>Cash flows from investing activities</b>					
Short-term loans made to related parties	44	(6,276,000)	(963,000)	(167,517,896)	(418,287,161)
Receipt from repayment of short-term loans to related parties	44	4,024,610	1,804,000	193,748,996	467,849,490
Long-term loans made to related parties	44	-	(1,900,000)	-	(1,900,000)
Receipt from repayment of long-term loans to related parties	44	-	500,000	29,500,000	45,500,000
Payment for investment in subsidiary	17	-	-	(9,000,000)	(18,000,000)
Proceeds from capital reduction in subsidiary		-	-	-	9,996,000
Payments for investment in associates	18	(171,453,793)	(362,904,765)	(151,328,793)	(306,427,465)
Payment for interests in joint venture	19	-	(1,304,000)	-	-
Proceeds from (payment for) disposals of investment in subsidiary, net with cash in subsidiary		(5,361,369)	1,061,142	164,990	-
Proceeds from return of investment in associate	18	5,337,000	7,350,000	-	-
Proceeds from the liquidation of subsidiaries	17	-	-	17,009,062	-
Proceeds from disposals of investment in associates		41,933,726	83,777,100	41,933,726	83,777,100
Purchases of property, plant and equipment		(247,284,507)	(790,805,670)	(132,065,947)	(636,946,317)
Proceeds from disposals of equipment		3,305,933	10,505,424	2,332,629	2,449,445
Payments for right-of-use assets		(337,555)	(1,431,560)	(114,801)	(1,431,560)
Purchases of intangible assets		(68,395,987)	(63,440,419)	(43,911,880)	(48,818,359)
Payment for investment in debt instruments		(27,094,220)	-	-	-
Interest received		14,185,116	6,703,495	22,476,302	24,559,607
Dividends received	17, 18	175,531,614	164,551,123	240,492,514	1,288,982,779
Net cash (used in) received from investing activities		(281,885,432)	(946,497,130)	43,719,102	492,303,559

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



Major Cineplex Group Public Company Limited  
Statement of Cash Flows (Cont'd)  
For the year ended 31 December 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		(Restated)		(Restated)	
Notes		2020	2019	2020	2019
<b>Cash flows from financing activities</b>					
Proceeds from short-term loans from related parties	44	-	-	1,431,187,693	3,105,688,132
Repayments to short-term loans from related parties	44	-	(1,700,000)	(1,408,498,797)	(3,549,289,495)
Bank overdrafts		-	(4,716,626)	-	-
Proceeds from short-term loans from financial institutions	29	7,840,652,322	5,356,147,090	7,806,652,322	5,179,147,090
Repayments to short-term loans from financial institutions	29	(6,992,000,000)	(4,670,000,000)	(6,970,000,000)	(4,500,000,000)
Payment for principal elements of lease liabilities	29	(137,904,791)	(237,906,751)	(86,509,445)	(155,094,272)
Proceeds from long-term loan from financial institutions	29	800,000,000	-	800,000,000	-
Repayments to long-term loan from financial institutions	29	(533,000,000)	(588,000,000)	(533,000,000)	(588,000,000)
Non-controlling interests invested in subsidiary		6,000,000	12,000,000	-	-
Dividends paid	43	(313,125,996)	(1,208,077,278)	(313,125,996)	(1,207,797,278)
Net cash received (used in) financing activities		670,621,535	(1,342,253,565)	745,705,777	(1,715,345,623)
<b>Net increase in cash and cash equivalents</b>					
Opening balance of cash and cash equivalents		961,742,096	906,315,184	715,064,915	390,590,766
Effect of currency translation of cash and cash equivalents		4,400,564	(3,174,654)	-	-
Closing balance of cash and cash equivalents		1,557,306,217	961,742,096	1,378,322,980	715,064,915
<b>Non-cash transactions</b>					
Acquisition - right-of-use assets and lease liabilities less lease incentives		94,364,734	93,265,237	-	82,243,004
Lease modifications and reassessments		597,146	-	-	-
Receivable from disposals of equipment		20,411	4,674	-	288,126

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 16 February 2021.

## **2 Significant events during the current year**

### **Coronavirus Disease 2019 outbreak**

The outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2020, has adverse effects on operating results of 2020.

From 18 March 2020, all cinema theaters are temporarily closed, including bowling, karaoke and ice-skate services as ordered by The Emergency Decree to prevent, suppress, and delay the COVID-19 outbreak. As a result, revenue from all segments dropped significantly. Although all cinema theaters and other services are permitted to reopen on 1 June 2020, the Group still cannot operate at full capacity mainly due to the situation of the pandemic in the movies production countries is still severe. The Group is putting measures to reduce the operational costs with highest effort, evaluating the impact on the operation, and strategising effective solutions in order to minimise the adverse impact.

## **3 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 10.

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.

#### 4 New and amended financial reporting standards

##### 4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to 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

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note 6.

###### 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.

On 1 January 2020, the Group has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 6.

###### c) 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.

###### d) 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.

###### e) 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.

###### f) 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. The Group 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.

#### 4 New and amended financial reporting standards (Cont'd)

##### 4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group (Cont'd)

- h) **Amendment to TFRS 3, Business combinations** clarified that when the entity obtains control of a business that is a joint operation which is a business combination achieved in stages, the previously held interest is therefore re-measured.
- i) **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.
- j) **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, i.e. 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.

##### 4.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 and have significant impacts to the Group

- a) **Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:**
  - Measurement basis, including factors in considering difference measurement basis
  - Presentation and disclosure, including classification of income and expenses in other comprehensive income
  - Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
  - Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.
- b) **Amendment to TFRS 3, Business combinations** amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.
- c) **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBORs. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.
- d) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

## 5 Changes in accounting policies and exemptions from temporary relief measures

### 5.1 Changes in accounting policies

To reflect the fair value of investment properties held by subsidiaries and associates which are significant assets of the Group, the Group changes its accounting policies as follows.

#### **Thai Accounting Standard no.40 (TAS 40), Investment Property**

Under Thai Accounting Standards: Investment Property (TAS 40), the Group changes the measurement of the investment property from cost model to fair value model from 1 January 2020 retrospectively and has restated the comparatives presented (Full retrospective approach).

#### **Thai Accounting Standard no.27 (TAS 27), Separate Financial Statements**

Under Thai Accounting Standards: Separate Financial Statement (TAS 27), the Group changes the accounting for the carrying value of investments in subsidiaries, associates and joint ventures in separate financial statements from cost method to equity method applying Thai Accounting Standard no.28 (TAS 28): Investments in Associates and Joint Ventures, from 1 January 2020 retrospectively and has restated the comparatives presented (Full retrospective approach).

The new accounting policies as described in Note 7. Adjustments on the adoption of the new financial reporting standards are disclosed in Note 6.

### 5.2 Exemption from the temporary measures to relieve the impact from COVID-19

The Federation of Accounting Professions announced on 22 April 2020 related to the temporary exemption guidance to relieve the impact from COVID-19 ("temporary measures to relieve the impact from COVID-19") for the reporting periods ending between 1 January 2020 and 31 December 2020. The Group applied the exemption on the following matters.

*Determining expected credit loss with the simplified approach according to Thai Financial Reporting Standard no.9, Financial Instruments.*

The Group has chosen to exclude forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables and other receivables. The expected credit loss was assessed based on historical credit loss together with the management's judgement in estimating the expected credit loss. The impairment recognised from applying this method will be disclosed in Note 13.

#### *Lease modification*

During the reporting period, the Group received discounts in the lease payments from lessors due to the COVID-19 situation. The Group has chosen to apply the temporary measures by reducing lease liabilities in the proportion of the reduction to the lease payments throughout the period that the Group has received the reduction. The Group also reversed depreciation charges on the right-of-use assets and interest expenses on the lease liabilities recognised in the same proportion. The differences between the reduction of the lease liabilities and the reversal of the expenses are recognised in cost of service instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.

#### *Impairment of assets*

The Group has chosen to exclude information related to COVID-19 as an indication of the impairment of assets.

#### *Fair value measurements of investment properties*

The Group has chosen not to take into account the information related to COVID-19 in the financial projections for the purpose of measuring fair value of investment property as of 31 December 2020.





Major Cineplex Group Public Company Limited  
Notes to the Consolidated and Separate Financial Statements  
For the year ended 31 December 2020

6 Adjustments from the adoption of new financial reporting standards and the changes in accounting policies (Cont'd)

The following tables show the adjustments made to the amounts recognised in each line items in the consolidated financial statements upon adoption of the financial reporting standards and changes in accounting policies: (Cont'd)

		Consolidated financial statements						Unit: Baht
Notes		As at	Retrospective adjustments		As at	Adjustments to		As at
		31 December 2019	TFRS 16	TAS 40	31 December 2019 (Restated)	TFRS 16	TAS 32 and TFRS 9	1 January 2020
Statement of financial position								
Assets								
Current assets								
	Trade and other receivables	1,054,935,388	-	-	1,054,935,388	-	(7,971,075)	1,046,964,313
	Current portion of prepaid services	48,731,139	(45,855,539)	-	2,875,600	-	-	2,875,600
Non-current assets								
	Finance lease receivables	10,417,760	-	-	10,417,760	6,382,600	-	16,800,360
	Investment in associates	3,817,685,862	-	1,769,188,545	5,586,874,407	-	(9,402,523)	5,577,471,884
	Investment property	-	170,857,951	318,959,317	489,817,268	(5,110,713)	215,569	483,922,124
	Property, plant and equipment	6,620,301,600	(175,774,909)	(490,311,267)	5,954,215,424	(271,887)	-	5,953,943,537
	Right-of-use assets	-	2,870,698,939	-	2,870,698,939	-	24,084,059	2,894,782,998
	Goodwill	97,930,716	-	(22,790,092)	75,140,624	-	-	75,140,624
	Deferred income tax assets	90,176,759	(20,193,404)	-	69,983,355	-	780,644	70,763,999
	Long-term prepaid services	548,046,489	(512,783,754)	-	35,262,735	-	8,488,949	43,751,684
	Other non-current assets	192,985,459	-	-	192,985,459	-	(35,754,326)	157,231,133
Total adjusted asset		12,481,211,172	2,286,949,284	1,575,046,503	16,343,206,959	-	(19,558,703)	16,323,648,256

**6 Adjustments from the adoption of new financial reporting standards and the changes in accounting policies (Cont'd)**

The following tables show the adjustments made to the amounts recognised in each line items in the consolidated financial statements upon adoption of the financial reporting standards and changes in accounting policies: (Cont'd)

Consolidated financial statements							Unit: Baht
Notes	As at 31 December 2019	Retrospective adjustments		As at 31 December 2019 (Restated)	Adjustments to opening retained earnings		As at 1 January 2020
		TFRS 16	TAS 40		TFRS 16	TAS 32 and TFRS 9	
Statement of financial position							
Liabilities							
Current liabilities							
B	383,141,527	(141,527)	-	383,000,000	-	-	383,000,000
A	-	247,698,188	-	247,698,188	-	-	247,698,188
Non-current liabilities							
Long-term borrowings from financial institutions							
B	1,522,343,634	(22,343,634)	-	1,500,000,000	-	-	1,500,000,000
A	-	2,672,475,726	-	2,672,475,726	-	-	2,672,475,726
J	217,620,742	(122,093,035)	214,715,873	310,243,580	-	(3,287,225)	306,956,355
B	560,867,911	(1,572,881)	-	559,295,030	-	-	559,295,030
Total adjusted liabilities		2,683,973,814	2,774,022,837	5,672,712,524	-	(3,287,225)	5,669,425,299
Equity							
Unappropriated retained earnings							
		1,516,455,747	(477,268,233)	2,399,518,144	-	(16,271,478)	2,383,246,666
		(394,660,605)	(5,049,465)	(399,710,070)	-	-	(399,710,070)
		151,110,544	(4,755,855)	146,354,689	-	-	146,354,689
Total adjusted equity		1,272,905,686	(487,073,553)	2,146,162,763	-	(16,271,478)	2,129,891,285

**6 Adjustments from the adoption of new financial reporting standards and the changes in accounting policies (Cont'd)**

The following tables shows the adjustments made to the amounts recognised in each line items in the consolidated financial statements upon adoption of the financial reporting standards and changes in accounting policies: (Cont'd)

	Unit: Baht			
	Consolidated financial statements			
	For the year ended 31 December 2019			
	Previously reported	Retrospective adjustments		Restated
		TFRS 16	TAS 40	
<b>Income statement and statement of comprehensive income</b>				
Cost of services	(6,014,057,657)	103,471,939	53,916,568	(5,856,669,150)
Other income	150,174,494	3,481,144	(20,891,533)	132,944,105
Administrative expenses	(2,018,422,984)	(35,317,792)	(41,241,029)	(2,094,981,805)
Finance costs	(98,078,890)	(136,293,960)	-	(234,372,850)
Share of profit (loss) of investments in associates and joint ventures	293,939,263	(35,793,008)	421,531,305	679,677,560
Income tax	(278,354,462)	(112,846)	(76,512,048)	(354,979,356)
Net profit for the year	1,197,549,332	(100,584,523)	337,003,263	1,433,968,072
Earnings per share (Baht)	1.31	(0.11)	0.38	1.57

The following tables show the adjustments made to the amounts recognised in each line items in the separate financial statements upon adoption of the financial reporting standards and changes in accounting policies:

					Unit: Baht
					Separate financial statements
					Retrospective adjustments
					As at
Notes	As at 31 December 2018	TFRS 16	TAS 27 and TAS 28	As at 1 January 2019 (Restated)	
Statement of financial position					
Assets					
Current assets					
Current portion of prepaid services	B	23,553,389	(21,677,789)	-	1,875,600
Non-current assets					
Investment in subsidiaries	F	3,526,824,770	-	(304,558,629)	3,222,266,141
Investment in associates	F	3,099,847,264	-	1,684,866,334	4,784,713,598
Property, plant and equipment	B	4,560,161,309	(147,546,735)	-	4,412,614,574
Right-of-use assets	A	-	2,409,368,517	-	2,409,368,517
Deferred income tax assets	J	49,915,515	78,798,290	(126,713,805)	-
Long-term prepaid services	B	369,311,227	(346,406,927)	-	22,902,300
Total adjusted assets		11,629,613,474	1,970,533,356	1,253,593,900	14,853,740,730

**6 Adjustments from the adoption of new financial reporting standards and the changes in accounting policies (Cont'd)**

The following tables show the adjustments made to the amounts recognised in each line items in the separate financial statements upon adoption of the financial reporting standards and changes in accounting policies: (Cont'd)

					Unit: Baht



Major Cineplex Group Public Company Limited  
Notes to the Consolidated and Separate Financial Statements  
For the year ended 31 December 2020

6 Adjustments from the adoption of new financial reporting standards and the changes in accounting policies (Cont'd)

The following tables show the adjustments made to the amounts recognised in each line items in the separate financial statements upon adoption of the financial reporting standards and changes in accounting policies: (Cont'd)

Separate financial statements							Unit: Baht
Notes	As at 31 December 2019	Retrospective adjustments		As at 31 December 2019 (Restated)	Adjustments to opening retained earnings TAS 32 and TFRS 9	As at 1 January 2020	
		TFRS 16	TAS 27 and TAS 28				
Statement of financial position							
Assets							
Current assets							

**Major Cineplex Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

**6 Adjustments from the adoption of new financial reporting standards and the changes in accounting policies (Cont'd)**

The following tables show the adjustments made to the amounts recognised in each line items in the separate financial statements upon adoption of the financial reporting standards and changes in accounting policies (Cont'd):

		Separate financial statements					Unit: Baht
		As at 31 December 2019	Retrospective adjustments		As at 31 December 2019 (Restated)	Adjustments to opening retained earnings TAS 32 and TFRS 9	As at 1 January 2020
Notes			TFRS 16	TAS 27 and TAS 28			
<b>Statement of financial position</b>							
<b>Liabilities</b>							
<b>Current liabilities</b>							
	B	383,105,982	(105,982)	-	383,000,000	-	383,000,000
	A	-	162,209,429	-	162,209,429	-	162,209,429
<b>Current portion of lease liabilities</b>							
	B	1,521,014,184	(21,014,184)	-	1,500,000,000	-	1,500,000,000
	A	-	2,062,944,942	-	2,062,944,942	-	2,062,944,942
	J	-	(119,842,952)	323,501,234	203,658,282	(3,287,225)	200,371,057
	B	269,429,816	(1,572,882)	-	267,856,934	-	267,856,934
		2,173,549,982	2,082,618,371	323,501,234	4,579,669,587	(3,287,225)	4,576,382,362
<b>Total adjusted liabilities</b>							
<b>Equity</b>							
		1,354,736,120	(364,940,721)	1,246,533,983	2,236,329,382	(80,271,478)	2,156,057,904
		-	-	(28,181,365)	(28,181,365)	-	(28,181,365)
		1,354,736,120	(364,940,721)	1,218,352,618	2,208,148,017	(80,271,478)	2,127,876,539



**6 Adjustments from the adoption of new financial reporting standards and the changes in accounting policies (Cont'd)**

The following tables show the adjustments made to the amounts recognised in each line items in the separated financial statements upon adoption of the financial reporting standards and changes in accounting policies (Cont'd):

	Unit: Baht			
	Separate financial information			
	For the year ended 31 December 2019			
	Previously reported	Retrospective adjustments		Restated
		TFRS 16	TAS 28	
Income statement and statement of comprehensive income				
Cost of services	(3,882,271,207)	39,524,987	-	(3,842,746,220)
Other income	1,054,864,221	2,897,261	(916,705,171)	141,056,311
Administrative expenses	(1,307,446,546)	(1,065,982)	8,524,305	(1,299,978,223)
Finance costs	(146,500,438)	(99,791,761)	-	(246,292,199)
Share of profit (loss) of investments in subsidiaries, associates and joint ventures	-	-	1,087,478,994	1,087,478,994
Income tax	(117,295,319)	677,933	(93,238,694)	(209,856,080)
Net profit for the year	1,360,652,497	(57,747,562)	86,059,434	1,388,964,369
Earnings per share (Baht)	1.52	(0.06)	0.10	1.55

**Remark**

- A) Recognition of the right-of-use asset and lease liabilities according to TFRS 16 (Note 6.2)
- B) Reclassification of leased assets and lease liabilities (Note 6.2)
- C) Reclassification of investment properties (Note 6.3)
- D) Adjustments on fair value of investment property (Note 6.3)
- E) Adjustments on investment in associates impacted from the change in accounting policy (Note 6.3)
- F) Adjustments on investment in subsidiaries and associates to equity method (Note 6.4)
- G) Adjustments on expected credit loss of financial assets (Note 6.1)
- H) Adjustments on investment in subsidiaries and associates from the adoption of new standard (Note 6.1)
- I) Reclassification and adjustments on non-current financial assets with effective interest rate (Note 6.1)
- J) Adjustments on deferred income tax from the change in accounting policies and the adoption of new standards.

**6.1 Adjustments on the adoption of the financial reporting standards related to financial instruments**

The total impact on the Group's and the Company's unappropriated retained earnings as of 1 January 2020 are as follows:

	Unit: Baht	
	Consolidated financial statements	Separate financial statements
Unappropriated retained earnings as of 31 December 2019 (after retrospective adjustments)	2,399,518,144	2,236,329,382
Recognition of expected credit loss allowance for trade receivables	(7,971,075)	(4,413,120)
Recognition of expected credit loss allowance for loans to related parties	-	(64,000,000)
Adjustments on investment in subsidiaries and associates according to equity method	(9,402,523)	(12,525,100)
Adjustments on non-current financial assets with effective interest rate	(2,965,749)	(2,620,483)
Recognition of deferred income tax assets / deferred income tax liabilities related to the above adjustments	4,067,869	3,287,225
Total adjustments to opening retained earnings from the adoption of TFRS 9	(16,271,478)	(80,271,478)
Unappropriated retained earnings as of 1 January 2020 after reflecting TFRS 9 adoption	2,383,246,666	2,156,057,904

**6 Adjustments from the adoption of new financial reporting standards and the changes in accounting policies (Cont'd)**

**6.1 Adjustments on the adoption of the financial reporting standards related to financial instruments (Cont'd)**

As at 1 January 2020 (date of initial application of TFRS 9), management has assessed which business models apply to the financial assets and financial liabilities, and has classified its financial instruments into the appropriate TFRS categories as follows:

	Unit: Baht	
	Consolidated financial statements	Separate financial statements
	Amortised cost	Amortised cost
<b>Financial assets</b>		
Cash and cash equivalents	961,742,096	715,064,915
Trade and other receivables, net	999,183,010	563,838,335
Short-term loans to related parties	463,000	239,714,396
Other current assets	2,839,698	2,090,165
Long-term loans	3,201,603	163,984,900
Other non-current assets	143,882,796	106,857,422
<b>Financial liabilities</b>		
Bank overdrafts and short-term loans from financial institutions	2,118,578,162	2,096,302,035
Trade and other payables	1,734,678,283	1,247,391,241
Short-term loans from related parties	12,800,000	967,425,068
Long-term loans from financial institutions, net	383,000,000	383,000,000
Debentures, net	1,500,000,000	1,500,000,000
Lease liabilities, net	2,920,173,914	2,225,154,371

The Group does not have financial assets and financial liabilities which are measured at fair value through profit or loss and fair value through other comprehensive income.

***Impairment of financial assets***

The Group and the Company have following financial assets that are subject to the expected credit loss model:

- cash and cash equivalents
- trade and other receivables
- loans to related parties

The Group and the Company were required to revise its impairment methodology under TFRS 9. The impact of the change in impairment methodology on the Group's and the Company's retained earnings at 1 January 2020 were Baht 7.97 million and Baht 68.41 million, respectively.

Management considered that the identified impact from the new impairment requirement on cash and cash equivalents was immaterial.

***Trade receivables and contract assets***

The Group applies the simplified approach in measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles, the corresponding historical credit losses experienced as well as forward-looking information that may affect the ability of the customers to settle the receivables.

As of 1 January 2020, the Group and the Company recognised expected credit losses on accounts receivable of Baht 7.97 million and Baht 4.41 million, respectively.

**6 Adjustments from the adoption of new financial reporting standards and the changes in accounting policies (Cont'd)**

**6.1 Adjustments on the adoption of the financial reporting standards related to financial instruments (Cont'd)**

***Impairment of financial assets (Cont'd)***

***Loans to related parties***

The Company has loans to related parties measured at amortised cost. The 12-month expected credit loss allowance was recognised for those loans without any significant increase in credit risk. The lifetime expected credit loss was recognised for those loans with significant increase in credit risk.

As 1 January 2020, the Company recognised the expected credit loss on loans to related parties of Baht 64 million.

**6.2 Adjustments on the adoption of the financial reporting standards related to leases**

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases for leases of land, buildings and machineries with lease terms more than 12 months. These lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of the commencement date. The weighted average lessee's incremental borrowing rate applied to the lease liabilities was 2.60% - 9.01%.

The recognised right-of-use assets relate to the following types of assets:

	Unit: Baht			
	Consolidated financial information		Separate financial information	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Investment property	88,531,243	128,264,582	-	-
Buildings and Equipment	2,662,503,000	2,870,698,939	2,024,469,780	2,246,427,837
<b>Total</b>	<b>2,751,034,243</b>	<b>2,998,963,521</b>	<b>2,024,469,780</b>	<b>2,246,427,837</b>

***Practical expedients applied***

In applying TFRS 16 for the first time on the leases that existed before 1 January 2020, the Group has used the following practical expedients permitted by the standard:

- elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an Arrangement contains a Lease.

**6.3 Adjustments on the changes in accounting policy of the Thai accounting standards no.40 Investment property**

The Group engages an independent valuer to assess the fair value of the investment property. Fair value is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate reflects current market assessments of the time value of money and risk factors. The Group classifies the fair value measurement of investment property as level 3. Application of fair value model resulted in a net gain from valuation of investment properties belonged to subsidiaries and associates, net of income tax amounting to Baht 1,059.12 million which is adjusted to the retained earnings as of 1 January 2019.

**6 Adjustments from the adoption of new financial reporting standards and the changes in accounting policies (Cont'd)**

**6.4 Adjustments on the changes in accounting policy of the Thai accounting standards no. 27  
Separate financial statement**

The Group changes the accounting for investment in subsidiaries, associates and joint ventures in the separate financial statement accounting from cost method to equity method. The Group recognised the cumulative movements based on equity method, net of income tax amounting to Bath 1,160.47 million which is adjusted to the retained earnings as of 1 January 2019.

The Group did not disclose the impacts from the adoption of TFRS 16 Leases for the year ended 31 December 2020 since the data in the accounting system has already been updated according to the current accounting method.

**7 Accounting policies**

**7.1 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 equity 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 in the consolidated financial statements.

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

## 7 Accounting policies (Cont'd)

### 7.1 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, 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.

### 7.2 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.

## **7 Accounting policies (Cont'd)**

### **7.2 Business combination (Cont'd)**

#### *Acquisition-related cost*

Acquisition-related cost are recognised as expenses in profit or loss of consolidated financial statements.

#### *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).

### **7.3 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



## 7 Accounting policies (Cont'd)

### 7.3 Foreign currency translation (Cont'd)

#### 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.

### 7.4 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.

### 7.5 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. Mostly the term will be within 30 days thus they will be recognised as current assets.

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 holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The assessment of impairment of trade receivables are disclosed in Note 7.7(f).

### 7.6 Inventories and films under production

Inventories consist of foods and beverages and cinema supplies

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. 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.

## 7 Accounting policies (Cont'd)

### 7.7 Financial asset

#### a) Classification

From 1 January 2020, the Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

#### b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

#### d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of profit or loss.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

## 7 Accounting policies (Cont'd)

### 7.7 Financial asset (Cont'd)

#### e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in other income statement (FVOCI), there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/losses in the statement of profit or loss.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

#### f) Impairment

From 1 January 2020, the Group applies the TFRS 9 simplified approach in measuring the impairment of trade and other receivables, which applies lifetime expected credit loss, from initial recognition, for all trade and other receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade and other receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade and other receivables. The Group applied historical credit loss adjusted with the management's judgement in estimating the expected credit loss as disclosed in note 13.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss as a separate line item.

Classification and measurement of financial assets for the year ended 31 December 2019 is disclosed in Note 6.1.

## 7 Accounting policies (Cont'd)

### 7.8 Investment property

Investment properties, principally freehold office buildings and right-of-use assets recognised for office buildings under leases, are held for long-term rental yields and are not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Subsequently, they are carried at fair value. Changes in fair values of investment property are presented in profit or loss.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by not taking into account the information related to COVID-19 in its financial projections for the purpose of fair valuing investment properties as at 31 December 2020.

### 7.9 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 are 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.

## 7 Accounting policies (Cont'd)

### 7.10 Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. It 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.

### 7.11 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.

### 7.12 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.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 as an indication of the impairment of assets.

## 7 Accounting policies (Cont'd)

### 7.13 Leases

#### Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

During the reporting period, the Group received discounts in the lease payments from lessors due to the COVID-19 outbreak. The Group elected not to account for all discounts in the lease payments under the lease modification in accordance with TFRS 16. Instead, the Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by reducing lease liabilities in the proportion of the reduction to the lease payments throughout the period that the Group has received the reduction. The Group also reversed depreciation charges on the right-of-use assets and interest expenses on the lease liabilities recognised in the same proportion. The differences between the reduction of the lease liabilities and the reversal of the expenses are recognised in cost of service instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.



## 7 Accounting policies (Cont'd)

### 7.13 Leases (Cont'd)

#### 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 under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease.

### 7.14 Financial liabilities

#### a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

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 reporting date.

#### b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

#### c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation/modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated/modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

## 7 Accounting policies (Cont'd)

### 7.15 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.

### 7.16 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.

## 7 Accounting policies (Cont'd)

### 7.17 Employee benefits

#### 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.

#### e) Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

### 7.18 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.

## **7 Accounting policies (Cont'd)**

### **7.18 Share-based payment (Cont'd)**

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 subsidiaries is treated as a capital contribution.

### **7.19 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.

### **7.20 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 recognised as treasury share and 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.

### **7.21 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 collectability 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.

## 7 Accounting policies (Cont'd)

### 7.21 Revenue recognition (Cont'd)

Revenue from film production and sales of film rights distribution: Revenue from sales of film right and film production is recorded 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.

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.

### 7.22 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.

### 7.23 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under TFRS 9; and
- the amount initially recognised less the cumulative amount of income recognised in accordance with the principles of TFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between a) the contractual payments required under the debt instrument; and b) the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

## 8 Financial risk management

### 8.1 Financial risk

The Group exposes to a variety of financial risks: market risk (including currency risk and interest 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.

#### 8.1.1 Market risk

##### a) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risk. The Group has foreign exchange transactions from purchases of film rights which are dominated in various currencies, primarily USD. The Group does not use any derivative financial instruments to hedge foreign currency exposure.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

		Unit: Thousand Baht			
		Consolidated financial statements			
		As at 31 December 2020		As at 31 December 2019	
		US Dollar	Baht	US Dollar	Baht
Trade and other receivables - net		21,493	-	15,503	-
Trade and other payables		24,114	33,075	14,070	34,756

		Unit: Thousand Baht			
		Separate financial statements			
		As at 31 December 2020		As at 31 December 2019	
		US Dollar	Baht	US Dollar	Baht
Trade and other receivables - net		816	-	7,315	-
Trade and other payables		24,114	-	14,070	-

##### b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk related primarily to its deposit at financial institutions, long-term loans to related parties, and borrowings from financial institutions. Most of the Group's financial assets and financial liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Group assesses that the interest rate risk is insignificant as the interests from financial assets and financial liabilities are not significantly different.



## 8 Financial risk management (Cont'd)

### 8.1 Financial risk (Cont'd)

#### 8.1.2 Credit risk

Credit risk arises from cash and cash equivalents, including credit exposures to customers and outstanding receivables.

##### Risk management

Credit risk is managed on a group basis. For deposits at banks and financial institutions, only reliable financial institutions are accepted. For transactions with customers, the Group will evaluate from customer's credit quality by considering from financial positions, past experiences and other matters. Then, the Group will identify credit limit depending on evaluation results. The Group has no concentration of significant credit risk.

##### Impairment of financial assets

The Group has financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Trade and other receivables
- Loan to related parties

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The details of expected credit loss are in Note 13.

The Group write-off trade and other receivables when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments or cannot be contacted.

Impairment losses on trade and other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

In the year 2019, the Group recognised impairment of trade receivables based on the incurred loss model such as uncollectible, which was not taken into account future losses. Therefore, expected credit losses and allowance for doubtful accounts are not comparable.

For impairment of loans to related parties, the Company has loan to related parties measured at amortised cost. The Company recognises 12-month expected credit loss for the loans that do not have significant credit risk and recognises life-time expected credit losses for the loans that have significant credit risk.

## 8 Financial risk management (Cont'd)

### 8.1 Financial risk (Cont'd)

#### 8.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management regularly monitors the projected cash flow of the Group from i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents.

#### a) Financing arrangements

As at 31 December 2020, the Group and the Company have unused credit facilities received from financial institutions amounting to Baht 4,627.64 million and Baht 4,412.64 million, respectively (2019: Baht 4,553.46 and Baht 4,325.46 million, respectively). Most credit facilities are ended within 3 years and will be reviewed periodically. The major credit facilities are for the cinema construction and working capital.

#### b) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

	Unit: Thousand Baht				
	Consolidated financial statements				
Maturity of financial liabilities	Within 1 year	1 - 5 years	Over 5 years	Total	Book value
As at 31 December 2020					
Bank overdrafts and short-term loan from financial institutions	1,782,314	-	-	1,782,314	1,782,314
Trade and other payables	1,375,654	-	-	1,375,654	1,375,654
Short-term loan from related parties	12,800	-	-	12,800	12,800
Long-term loans from financial institutions	345,000	1,505,000	-	1,850,000	1,850,000
Debentures	500,000	1,000,000	-	1,500,000	1,500,000
Lease liabilities	391,133	1,246,001	2,013,341	3,650,475	2,754,580
Total financial liabilities	4,406,901	3,751,001	2,013,341	10,171,243	9,275,384

8 Financial risk management (Cont'd)

8.1 Financial risk (Cont'd)

8.1.3 Liquidity risk (Cont'd)

b) Maturity of financial liabilities (Cont'd)

	Unit: Thousand Baht				
	Consolidated financial statements				
Maturity of financial liabilities	Within 1 year	1 - 5 years	Over 5 years	Total	Book value
As at 31 December 2019					
Bank overdrafts and short-term loan from financial institutions	2,118,578	-	-	2,118,578	2,118,578
Trade and other payables	1,734,678	-	-	1,734,678	1,734,678
Short-term loan from related parties	12,800	-	-	12,800	12,800
Long-term loans from financial institutions	383,000	-	-	383,000	383,000
Debentures	-	1,500,000	-	1,500,000	1,500,000
Lease liabilities	385,913	1,329,809	2,211,842	3,927,564	2,920,174
Total financial liabilities	4,634,969	2,829,809	2,211,842	9,676,620	8,669,230

	Unit: Thousand Baht				
	Separate financial statements				
Maturity of financial liabilities	Within 1 year	1 - 5 years	Over 5 years	Total	Book value
As at 31 December 2020					
Bank overdrafts and short-term loan from financial institutions	1,747,039	-	-	1,747,039	1,747,039
Trade and other payables	898,799	-	-	898,799	898,799
Short-term loan from related parties	990,114	-	-	990,114	990,114
Long-term loans from financial institutions	345,000	1,505,000	-	1,850,000	1,850,000
Debentures	500,000	1,000,000	-	1,500,000	1,500,000
Lease liabilities	260,944	920,831	1,584,724	2,766,499	2,062,845
Total financial liabilities	4,741,896	3,425,831	1,584,724	9,752,451	9,048,797

## 8 Financial risk management (Cont'd)

### 8.1 Financial risk (Cont'd)

#### 8.1.3 Liquidity risk (Cont'd)

##### b) Maturity of financial liabilities (Cont'd)

	Unit: Thousand Baht				
	Separate financial statements				
Maturity of financial liabilities	Within 1 year	1 - 5 years	Over 5 years	Total	Book value
As at 31 December 2019					
Bank overdrafts and short-term loan from financial institutions	2,096,302	-	-	2,096,302	2,096,302
Trade and other payables	1,247,391	-	-	1,247,391	1,247,391
Short-term loan from related parties	967,425	-	-	967,425	967,425
Long-term loans from financial institutions	383,000	-	-	383,000	383,000
Debentures	-	1,500,000	-	1,500,000	1,500,000
Lease liabilities	258,196	963,391	1,803,208	3,024,795	2,225,154
<b>Total financial liabilities</b>	<b>4,952,314</b>	<b>2,463,391</b>	<b>1,803,208</b>	<b>9,218,913</b>	<b>8,419,272</b>

### 8.2 Capital management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, provide returns for shareholders and benefits for other stakeholders, and
- 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.

The Group regularly monitors capital based on gearing ratio which is determined from net debt excluding lease liabilities divided by equity. As at 31 December, the Group's net debt to equity ratio is as follows:

	Unit: Baht	
	2020	2019
Net debt	8,297,599,447	7,467,569,192
Equity (including non-controlling interests)	6,626,034,972	7,480,001,665
<b>Net debt to equity ratio</b>	<b>1.25%</b>	<b>1.00%</b>

## 9 Fair value

Fair value of financial assets and financial liabilities maturing within one year are approximate to carrying amount since the impact of discount rate is not significant.

The following table presents fair value of financial liabilities, excluding those with the carrying amount approximates fair value.

	Unit: Baht			
	Consolidated financial statements			
	2020		2019	
	Carrying amount - amortised cost	Fair value	Carrying amount - amortised cost	Fair value
Financial liabilities not measured at fair value				
Long-term borrowings from financial institutions	1,505,000,000	1,612,175,958	-	-
Debenture	1,000,000,000	1,004,400,000	1,500,000,000	1,529,800,000

	Unit: Baht			
	Separate financial statements			
	2020		2019	
	Carrying amount - amortised cost	Fair value	Carrying amount - amortised cost	Fair value
Financial liabilities not measured at fair value				
Long-term borrowings from financial institutions	1,505,000,000	1,612,175,958	-	-
Debenture	1,000,000,000	1,004,400,000	1,500,000,000	1,529,800,000

The fair value of debenture is based on the market price of debenture from Thai Bond Market Association as at the date of the statement of financial position and is categorised into level two of fair value hierarchy.

The following table presents fair value of financial assets recognised or disclosed by their fair value hierarchy.

		Unit: Baht	
		Level 3	
		Consolidated financial statements	
		2020	(Restated) 2019
<b>Assets</b>			
Investment property		480,954,379	489,817,268

Fair values are categorised into hierarchy based on inputs used as follows:

Level 3: The fair value of financial instruments is not based on observable market data.

The measurement of fair value of non-financial assets measured at fair value is in accordance with accounting policies disclosed in Note 7.8.

There is no transfer between fair value hierarchy during the year.

**9 Fair value (Cont'd)**

***The fair value valuation processes***

The Group's finance department and an independent valuer conduct the level 3 fair value valuation of assets required for financial reporting purposes. This team reports directly to the finance committee. Discussions on fair value valuation processes between the finance committee and the valuation team are held at least once every quarter, in line with the Group's quarterly reporting dates.

The main level 3 input used by the Group pertains to the discount rate for investment property. It is estimated based on discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate is estimated based on the average dividends yield rate of property funds listed in the Stock Exchange of Thailand that are, in the opinion of the management, in a comparable financial position including the appropriate risk premium and reflects current market assessments of the time value of money and risk adjusted which mostly at the rate of 10.00% per annum. The discount rate of finance lease liabilities on land leases is ranging from 2.60% to 9.01% per annum. The independent valuer conducts the estimates of such information as part of the valuation of investment property.

The table below presents the sensitivity analysis of the significant assumption for the fair value measurement of investment property as at 31 December 2020.

Unit: Baht			
Impact to fair value of investment property			
Consolidated financial statements			
Change in assumption	Increase in assumption	Decrease in assumption	
Discount rate	1%	Decrease 9,323,555	Increase 9,860,089

**10 Critical accounting estimates and judgements**

Estimates 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.

**a) 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.

**b) Impairment of property, plant and equipment**

The Group tests the impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with its accounting policy in Note 7.12. 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 management's estimates. The change in the assumption used would impact the recoverable amount.

**c) 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 which is calculated from the selling price in the ordinary course of business, less the cost of completion and selling expenses. These calculations require the management's estimates and is based on historical information, management's knowledge of the industry and future market trends.



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

**d) 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 recoverable amount requires the management's estimates.

**e) Amortisation of film rights**

Film rights are amortised and recognised to cost of sales 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.

**f) 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 31.

**g) Deferred tax asset for carried forward tax losses**

The Group has incurred the losses from the operations in 2020 due to the impact from COVID-19 outbreak. The Group did not expect the losses in the long term. The Group concluded that the deferred tax assets arising from the carried-forward tax losses will be recoverable using the estimated future taxable income based on the approved business plans and budgets. It is expected that the losses carried forward will be utilised within 5 years.

**h) 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.

In some cases, it is difficult to find a single selling price for each product or service in which the Group offers customers various products and services in one contract because the market price is quite volatile due to the high competition. In many cases, there is no single selling price offered in the market. The change in the selling price estimated individually will have a significant impact on the price allocation of the combined items to each obligation to be performed. Therefore, the allocation will impact revenue recognition, assets and liabilities arising from contracts.

**i) Determination of lease terms**

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended or to be terminated.

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

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

**j) Determination of discount rate applied to leases**

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions
- Make adjustments specific to the lease, e.g. term, country, currency and security

**k) Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

**l) Investment property**

The fair value of investment property is carried based on valuations by independent valuers. Fair value is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate reflects current market assessments of the time value of money and risk adjusted.

**11 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  
For the year ended 31 December 2020

11 Segment information (Cont'd)

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

	Consolidated financial statements					Unit: Million Baht
	Cinema business	Advertising business	Bowling and karaoke business	Rental and services business	Movie content business	
<b>For the year ended 31 December 2020</b>						
Revenues						
- Gross segment revenues	2,978	390	248	388	287	4,291
- Inter segment revenues	(330)	-	(31)	(54)	(111)	(526)
Net revenues	2,648	390	217	334	176	3,765
<b>Timing of revenue recognition</b>						
At a point in time	764	112	69	-	66	1,011
Over time	1,884	278	148	334	110	2,754
Total revenues	2,648	390	217	334	176	3,765
Segment results	(1,064)	130	(77)	47	(148)	(1,112)
Loss from disposal of investments						(24)
Non-allocated expenses						(62)
Loss from operating activities						(1,198)
Finance cost						(175)
Share of profit from investments in associates and joint ventures						740
Loss before income tax						(633)
Income tax						93
Net loss						(540)
Investment property				481	-	481
Fixed assets of segment	4,660	24	280	182	15	5,161
Right of use asset	2,474	-	154	24	11	2,663
Investments in associates and interests in joint ventures						6,299
Unallocated asset						3,074
Total						17,678

**Major Cineplex Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

**11 Segment information (Cont'd)**

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

	Consolidated financial statements					Unit: Million Baht
	Cinema business	Advertising business	Bowling and karaoke business	Rental and services business	Movie content business	
<b>For the year ended 31 December 2019 - Restated</b>						
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
<b>Timing of revenue recognition</b>						
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	937	742	(34)	80	(70)	1,655
Profit from disposal of investments						11
Non-allocated expenses						(323)
Profit from operating activities						1,343
Finance cost						(234)
Share of profit from investments in associates and joint ventures						680
Profit before income tax						1,789
Income tax						(355)
Net profit						1,434
Investment property				490	-	490
Fixed assets of segment	5,353	19	344	234	4	5,954
Right of use asset	2,673	-	170	28	-	2,871
Investments in associates and interests in joint ventures						5,654
Unallocated asset						2,899
Total						17,868

## 11 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.

*Impact on segment disclosures from change in accounting policies*

Adjusted EBITDA, segment assets and segment liabilities increased as a result of the change in accounting policies as follows:

For the year ended 31 December 2019	Unit: Million Baht		
	Consolidated financial statements		
	Previously reported	Effect from TFRS 16 and TAS 40	Restated
<b>Segment results</b>			
Cinema business	887	50	937
Bowling and karaoke business	(44)	10	(34)
Rental and services business	(18)	98	80
<b>Segment assets</b>			
Cinema business	5,529	2,497	8,026
Bowling and karaoke business	344	170	514
Rental and services business	724	28	752

## 12 Cash and cash equivalents

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash on hand	31,441,624	62,068,236	23,772,525	45,856,833
Deposits held at call with banks	1,525,864,593	899,673,860	1,354,520,455	669,208,082
	<u>1,557,306,217</u>	<u>961,742,096</u>	<u>1,378,292,980</u>	<u>715,064,915</u>

The effective interest rates on short-term bank deposit are ranging from 0.20% to 0.25% per annum (2019: 0.30% to 0.50% per annum).



13 Trade accounts and other receivables

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts receivable - third parties	346,106,858	549,514,386	69,702,871	135,113,472
Trade accounts receivable				
- related parties (Note 44)	42,058,540	68,197,171	95,443,342	165,326,746
Unbilled revenue	192,819,080	300,409,549	25,062,356	51,288,476
Total trade accounts receivable and unbilled revenue	580,984,478	918,121,106	190,208,569	351,728,694
Less Expected credit losses (2019: Allowance for doubtful accounts under TAS 101)	(75,715,993)	(918,252)	(8,852,622)	-
Trade accounts receivable and unbilled revenue, net	505,268,485	917,202,854	181,355,947	351,728,694
Amounts due from related parties	14,360,720	28,967,016	204,552,318	196,179,414
Less Expected credit losses (2019: Allowance for doubtful accounts under TAS 101)	-	-	(34,000,000)	-
Amounts due from related parties, net (Note 44)	14,360,720	28,967,016	170,552,318	196,179,414
Other accounts receivable	49,256,139	60,984,215	22,523,637	20,343,347
Less Expected credit losses (2019: Allowance for doubtful accounts under TAS 101)	(3,310,384)	-	(3,310,384)	-
Other accounts receivable, net	45,945,755	60,984,215	19,213,253	20,343,347
Prepaid expenses	26,013,113	47,781,303	9,974,040	17,225,822
Trade accounts and other receivables, net	591,588,073	1,054,935,388	381,095,558	585,477,277

**Fair values of trade receivables**

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

**Impairments of trade receivables**

The loss allowance for trade receivables was determined as follows:

As of 1 January 2020	Consolidated financial statements					Unit: Baht
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	More than 12 months	Total
Gross carrying amount						
- trade receivables	250,453,064	244,099,774	41,778,277	3,740,905	9,442,366	549,514,386
- amount due from related parties	56,138,973	10,677,030	1,355,583	-	25,585	68,197,171
- unbilled revenue	300,409,549	-	-	-	-	300,409,549
Total	607,001,586	254,776,804	43,133,860	3,740,905	9,467,951	918,121,106
Loss allowance	(707,068)	(902,958)	(4,120,387)	(334,636)	(2,824,278)	(8,889,327)



13 Trade accounts and other receivables (Cont'd)

Impairments of trade receivables (Cont'd)

The loss allowance for trade receivables was determined as follows: (Cont'd)

	Consolidated financial statements					Unit: Baht
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	More than 12 months	Total
<b>As 31 December 2020</b>						
Gross carrying amount						
- trade receivables	129,004,018	121,576,969	15,720,974	44,514,092	35,290,805	346,106,858
- amount due from related parties	29,657,866	8,573,623	3,128,056	291,021	407,974	42,058,540
- unbilled revenue	192,819,080	-	-	-	-	192,819,080
<b>Total</b>	<b>351,480,964</b>	<b>130,150,592</b>	<b>18,849,030</b>	<b>44,805,113</b>	<b>35,698,779</b>	<b>580,984,478</b>
Loss allowance	(1,853,170)	(6,532,686)	(7,762,331)	(23,869,027)	(35,698,779)	(75,715,993)
	Separate financial statements					Unit: Baht
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	More than 12 months	Total
<b>As of 1 January 2020</b>						
Gross carrying amount						
- trade receivables	43,749,286	84,780,809	3,221,877	690,332	2,671,168	135,113,472
- amount due from related parties	60,453,089	103,538,074	1,335,583	-	-	165,326,746
- unbilled revenue	51,288,476	-	-	-	-	51,288,476
<b>Total</b>	<b>155,490,851</b>	<b>188,318,883</b>	<b>4,557,460</b>	<b>690,332</b>	<b>2,671,168</b>	<b>351,728,694</b>
Loss allowance	(697,737)	(609,368)	(2,492,949)	-	(413,066)	(4,413,120)
	Separate financial statements					Unit: Baht
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	More than 12 months	Total
<b>As of 31 December 2020</b>						
Gross carrying amount						
- trade receivables	24,758,423	37,892,604	267,590	6,602,334	181,920	69,702,871
- amount due from related parties	67,939,483	27,212,838	-	291,021	-	95,443,342
- unbilled revenue	25,062,356	-	-	-	-	25,062,356
<b>Total</b>	<b>117,760,262</b>	<b>65,105,442</b>	<b>267,590</b>	<b>6,893,355</b>	<b>181,920</b>	<b>190,208,569</b>
Loss allowance	(378,455)	(1,595,378)	(108,422)	(6,588,447)	(181,920)	(8,852,622)

The reconciliations of loss allowance for trade and other receivables for the year ended 31 December are as follow:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>31 December prior year - calculated under TAS 101</b>	(918,252)	(7,720,250)	-	-
Effect from applying new accounting standard (TFRS 9) (Note 6)	(7,971,075)	-	(4,413,120)	-
Opening loss allowance as at 1 January 2020 - calculated under TFRS 9 (2019: TAS 101)	(8,889,327)	(7,720,250)	(4,413,120)	-
Increase in loss allowance recognised in profit or loss during the year	(70,140,609)	(910,978)	(41,749,886)	-
Exchange differences	3,559	-	-	-
Receivable written off during the year as uncollectible	-	7,712,976	-	-
<b>As of 31 December - calculated under TFRS 9 (2019: TAS 101)</b>	<b>(79,026,377)</b>	<b>(918,252)</b>	<b>(46,163,006)</b>	<b>-</b>

#### 14 Financial assets and liabilities

##### a) Details of financial assets classified under TFRS 9 (2019: classified under TAS 105)

As at 31 December 2020, all financial assets and financial liabilities are measured at amortised cost.

##### b) Amounts recognised in profit or loss

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>As of 31 December</b>				
Recognised expected credit loss (2019: Allowance for impairment losses TAS 101)	70,140,609	910,978	14,749,886	-

##### Significant acquisitions during the year

During 2020, the Group acquired investments in listed securities as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	Acquisition	Disposal	Acquisition	Disposal
Investment in debt instruments	27,094,220	-	-	-

Investment in debt instruments are financial assets measured at amortised cost since these investments are classified as held-to-maturity investments. Their cash flow characteristics also meet the criteria of principal and interest (SPPI).

##### c) Expected credit losses for the year

Information about the impairment of financial assets and the Group's exposure to credit risk is disclosed in Note 13 and Note 44 v).

#### 15 Inventories

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Foods and beverages	133,992,404	125,846,102	93,477,330	88,395,980
Supplies and others	13,078,284	12,771,470	4,787,767	4,802,562
Work in process	-	2,884,853	-	-
<b>Total</b>	<b>147,070,688</b>	<b>141,502,425</b>	<b>98,265,097</b>	<b>93,198,542</b>
<b>Less Allowance for net realizable value</b>	<b>(29,091,363)</b>	<b>(20,108,447)</b>	<b>(21,391,363)</b>	<b>(20,091,363)</b>
<b>Inventories, net</b>	<b>117,979,325</b>	<b>121,393,978</b>	<b>76,873,734</b>	<b>73,107,179</b>

Cost of inventory was recognised as an expense and included in cost of sales amounting to Baht 291.47 million and Baht 212.83 million in the consolidated and separate income statement, respectively (2019: Baht 679.78 million and Baht 528.32 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 2020 amounting to Baht 8.98 million and Baht 1.30 million, respectively (2019: Baht 3.41 million and Baht 0.49 million).

16 Other current assets

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Value added tax receivable	57,469,465	50,457,264	17,851,982	26,087,829
Withholding tax deducted at sources	75,472,083	39,550,606	22,532,764	-
Others	27,180,383	25,549,617	4,562,979	11,692,463
	<u>160,121,931</u>	<u>115,557,487</u>	<u>44,947,725</u>	<u>37,780,292</u>

17 Investments in subsidiaries

a) Movements of investments in subsidiaries

	Unit: Baht	
	Separate financial statements	
	2020	(Restated) 2019
<b>For the years ended 31 December</b>		
Opening net book amount	2,878,548,424	3,222,266,141
Impacts from the adoption of the new standard (TFRS 9) (Note 6)	(3,122,577)	-
Opening net book amount (Restated)	2,875,425,847	3,222,266,141
Additions	9,000,000	18,000,000
Proceed from capital reduction	-	(9,996,000)
Proceed from liquidation	(17,009,062)	-
Dividends received	(64,960,900)	(724,711,656)
Share of profit(loss)	(315,547,195)	379,669,992
Share of comprehensive income(loss)	6,029,285	(17,751,981)
Allowance for impairment	(73,898,176)	11,071,928
Closing net book amount	<u>2,419,039,799</u>	<u>2,878,548,424</u>

**17 Investments in subsidiaries (Cont'd)**

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

**Addition of investment**

**2020**

**TAI Major Co., Ltd.**

At the Extraordinary General Meeting of Tai Major Co., Ltd. (subsidiary) No.1/2020 on 16 July 2020, the shareholders passed a resolution to approve an increase in the registered capital from Baht 30.00 million (300,000 shares at the par value of Baht 100 each) to 45.00 million (450,000 shares at the par value of Baht 100 each) by issuing additional 150,000 ordinary shares at the par value of Baht 100 each. The Company additionally invested to maintain the same holding proportion of 60.00% by subscribing 90,000 shares for the consideration of Baht 9.00 million.

**2019**

**TAI Major Co., Ltd.**

On 4 July 2019, the Company invested in 60.00% of ordinary shares for a consideration of Baht 18.00 million in TAI Major Co., Ltd. which will engage in the business of film production.

**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 40.00 million (400,000 shares at the par value of Baht 100 each) to Baht 30.00 million (300,000 shares at the par value of Baht 100 each). The Company received cash from capital reduction totalling Baht 9.99 million. 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 100.00 million (10 million shares at the par value of Baht 10 each) to Baht 25.00 million (10 million shares at the par value of Baht 2.50 each). 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 each of 5 million shares with registered capital of Baht 25.00 million. This share 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 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.

**17 Investments in subsidiaries (Cont'd)**

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

**Liquidation of subsidiary**

**2020**

**Major Reward Co., Ltd.**

On 16 October 2020, Major Reward Co., Ltd. (subsidiary) was registered for liquidation and declared to return the registered capital. The Company received cash from liquidation amounting to Baht 17.01 million.

**Disposal of investment**

**Mtel (Thailand) Co., Ltd.**

On 28 August 2020, the Company disposed 16,499 shares representing 55.00% of paid-up share capital of Mtel (Thailand) Co., Ltd., subsidiary, for a consideration of Baht 0.16 million. The Company recognised loss on disposal amounting to Baht 4.45 million included in administrative expenses in the consolidated financial statements and recognised gain on disposal amounting to Baht 0.16 million included in other income in the separate financial statements since the Company has fully provided for allowance for impairment of investments.

**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 statements.

**Impairment**

**2020**

In 2020, subsidiaries which operate in movie content segment and cinema segment were severely affected by the situation of COVID-19 pandemic, causing the significant decrease in value-in-use. Therefore, the Group has impaired investment amounting to Baht 73.90 million in the separate financial statements.



17 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	
				2020	2019	2020	2019
				%	%	%	%
Major Cineplex Property Co., Ltd.	Building space for rent	Shareholder	Thailand	99.99	99.99	0.01	0.01
Major Cineplex Services Co., Ltd.	Utilities services	Shareholder	Thailand	99.99	99.99	0.01	0.01
Ratchayothin Management Co., Ltd.	Utilities services	Shareholder	Thailand	99.99	99.99	0.01	0.01
Ratchayothin Cinema Co., Ltd.	Land and building space for rent	Shareholder	Thailand	99.99	99.99	0.01	0.01
Ratchayothin Realty Co., Ltd.	Building space for rent	Shareholder	Thailand	99.99	99.99	0.01	0.01
Major Bowl Group Co., Ltd.	Bowling, Karaoke and entertainment services	Shareholder	Thailand	99.99	99.99	0.01	0.01
Major Cinead Co., Ltd.	Advertising services	Shareholder	Thailand	99.93	99.93	0.07	0.07
Bangkok Imax Theatre Co., Ltd.	Cinema services	Shareholder	Thailand	99.93	99.93	0.07	0.07
Siam Cineplex Co., Ltd.	Cinema services	Shareholder	Thailand	99.99	99.99	0.01	0.01
EGV Entertainment Public Company Limited ("EGV")	Cinema services, advertising services, and area for rent	Shareholder	Thailand	99.98	99.98	0.02	0.02
M Pictures Entertainment Public Company Limited ("MPIC")	Publishing, advertising and distribution of film rights	Shareholder	Thailand	92.46	92.46	7.54	7.54
Major Holding International Co., Ltd. ("MHID")	Holding business	Shareholder	Thailand	99.96	99.96	0.04	0.04
Digital Projector Management Co., Ltd.	Projector rental and system management	Shareholder	Thailand	99.99	99.99	0.01	0.01
Major Rewards Co., Ltd.	Customer relationship management loyalty program, E-payment and coupon Kiosk	Shareholder	Thailand	-	99.99	-	0.01
Mitel (Thailand) Co., Ltd.	Development of software and applications	Shareholder	Thailand	-	55.00	-	45.00
Tai Major Co., Ltd.	Film production	Shareholder	Thailand	60.00	60.00	40.00	40.00



Major Cineplex Group Public Company Limited  
Notes to the Consolidated and Separate Financial Statements  
For the year ended 31 December 2020

17 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	
				2020 %	2019 %	2020 %	2019 %
<b>Subsidiary under EGV</b> EGV Exhibition Co., Ltd.	Cinema services	Indirect shareholding	Thailand	99.96	99.96	0.04	0.04
<b>Subsidiaries under MPIC</b> 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. M Talent Co., Ltd.	Film production Film production, services for all forms of entertainment and sales of pocket books	Indirect shareholding Indirect shareholding	Thailand Thailand	92.46 92.46	92.46 92.46	7.54 7.54	7.54 7.54
<b>Subsidiaries under MHD</b> Major Platinum Cineplex (Cambodia) Co., Ltd. ("Major Platinum") Major Platinum Cineplex (Lao) Co., Ltd. ("Major Platinum Lao") Cineplex (Lao) Sole Co., Ltd. ("CNP")	Cinema and bowling services  Cinema and bowling services Cinema services	Indirect shareholding  Indirect shareholding Indirect shareholding	Cambodia  Lao People's Democratic Republic Lao People's Democratic Republic	69.97  59.98 99.96	69.97  59.98 99.96	30.03  40.02 0.04	30.03  40.02 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 the consolidated financial statements. 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 36 for movements in non-controlling interests.

18 Investments in associates

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	(Restated) 2019	2020	(Restated) 2019
Investments in associates	6,272,963,891	5,602,522,030	6,228,407,658	5,561,489,252
Less Allowance for impairment	(23,660,874)	(15,647,623)	(23,660,874)	(15,647,623)
Investments in associates, net	6,249,303,017	5,586,874,407	6,204,746,784	5,545,841,629

a) Movements of investments in associates

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	(Restated) 2019	2020	(Restated) 2019
Opening net book amount	5,586,874,407	4,795,178,209	5,545,841,629	4,784,713,598
Impacts from the adoption of the new standard (TFRS 9) (Note 6)	(9,402,523)	-	(9,402,523)	-
Opening net book amount (restated)	5,577,471,884	4,795,178,209	5,536,439,106	4,784,713,598
Additions	171,453,793	363,194,765	151,328,793	305,717,465
Disposals	(61,087,366)	(72,199,690)	(61,087,366)	(72,199,690)
Proceed from returns of investments	(5,337,000)	(7,350,000)	-	-
Allowance for impairment	(8,013,250)	(15,647,623)	(8,013,250)	(15,647,623)
Dividends received	(175,531,614)	(164,551,123)	(175,531,614)	(164,551,123)
Share of profit	750,303,180	688,519,376	761,611,115	707,809,002
Share of comprehensive income(loss)	43,390	(269,507)	-	-
Closing net book amount	6,249,303,017	5,586,874,407	6,204,746,784	5,545,841,629

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 2020, the Group realised gain on disposals of Baht 10.44 million in the consolidated income statement. (2019: Baht 16.53 million).

During 2020, the Company received dividends income from associates amounting to Baht 175.53 million (2019: Baht 164.55 million), which was recognised net from "Investment in associates" in the consolidated and separate statement of financial position.

**Addition of investment**

**2020**

**Siam Future Development Public Company Limited ("SF")**

During 2020, the Group acquired additional 31.93 million shares of SF for a consideration of Baht 151.33 million.

**Associate under M Pictures Entertainment Public Company Limited (Subsidiary)**

M Pictures Entertainment Public Company Limited invested in "Last Idol (Thailand) Company Limited" on 2 October 2020, in which the Company has percentage of interest of 18.49% with respect to the joint venture agreement. M Pictures Entertainment Public Company Limited paid 25.00% of total investment amounting to Baht 5.00 million.

**Associate under M Pictures Company Limited (Subsidiary)**

M Pictures Company Limited additionally invested in "Joint Venture Dang Phra Khanong", in which the Company has percentage of interest of 50.85% with respect to the joint venture agreement. M Pictures Company Limited paid the additional investment amounting to Baht 15.13 million on 30 September 2020.

**18 Investments in associates (Cont'd)**

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

**Addition of investment (Cont'd)**

**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.

**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.

**Disposal of investment**

**2020**

**Siam Future Development Public Company Limited ("SF")**

During 2020, the Company disposed investment in SF of 9.89 million shares for the considerations of Baht 41.93 million and recognised loss from disposal amounting to Baht 19.15 million, included in "Administrative expenses" in the consolidated and separate income statement.

The addition and disposal movements of investment in SF resulted in the change to shareholding percentage from 28.09% to 29.13%.

**18 Investments in associates (Cont'd)**

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

**Disposal of investment (Cont'd)**

**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 11.58 million, included in "Other income" in the consolidated and separate income statement.

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

**Return of investment**

**2020**

**Associates under M Pictures Company Limited (Subsidiary)**

M Pictures Company Limited received return of investment from joint operations as follows:

1. "Joint Venture Sangkrasue" amounting to Baht 2.94 million on 1 June 2020.
2. "Joint Venture Khun Phaen Fah Feun" amounting to Baht 2.40 million on 9 September 2020.

**2019**

**Associates under M Pictures Company Limited (Subsidiary)**

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.

**Major Cineplex Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

**18 Investments in associates (Cont'd)**

**b) The details of investments in associates**

Associates	Corporated country	Business	Nature of relationship	% of ownership interest	
				2020	2019
Siam Future Development Public Company Limited ("SF") Ratchayothin Avenue Co., Ltd. ("RAV")	Thailand Thailand	Rental of building space and utilities Rental of building space and utilities	Shareholder Shareholder	29.13 50.00	28.09 50.00
Major Cineplex Lifestyle Leasehold Property Fund ("MLPF") Thai ticket major Co., Ltd. ("TTF")	Thailand Thailand	Rental of space and utilities services Agent for selling of tickets	Indirect holding via SF Shareholder	14.57 33.00	14.05 33.00
CJ Major Entertainment Company Limited ("CJM") Joint Venture CRACKED	Thailand Thailand	Film production and distribution Film production and distribution	Shareholder Shareholder	40.00 49.00	40.00 49.00
Associates under M Pictures Entertainment PLC M.P.I.C. (Cambodia) Distribution Co., Ltd. Last Idol (Thailand) Co., Ltd.	Cambodia Thailand	Distribution of film rights Entertainment	Indirect shareholding Indirect shareholding	50.85 18.49	50.85 -
Associate under M Pictures Company Limited Joint venture Sangkrasue Joint venture Khun Phaen Fah Feun Joint venture THAT MARCH Joint venture OUR LOVE FOREVER Joint venture CLASSIC AGAIN Joint venture Keun Yutlitham Joint venture Dang Prakanong	Thailand Thailand Thailand Thailand Thailand Thailand Thailand	Film production Film production Film production Film production Film production Film production Film production	Indirect shareholding Indirect shareholding Indirect shareholding Indirect shareholding Indirect shareholding Indirect shareholding Indirect shareholding	27.74 47.16 12.94 12.94 36.06 64.72 50.85	27.74 47.16 12.94 12.94 36.06 64.72 -



18 Investments in associates (Cont'd)

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

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.

As at 31 December 2020, the fair value of the Group's interest in SF, which is listed on the Stock Exchange of Thailand, was Baht 3,104.93 million (2019: Baht 3,174.39 million) whereas the carrying amount of the Group's interest was Baht 4,315.83 million (2019: Baht 3,750.91 million).

As at 31 December 2020, the fair value of the Group's interest in MJLF, which is listed on the Stock Exchange of Thailand, was Baht 856.87 million (2019: Baht 2,208.79 million) whereas the carrying amount of the Group's interest was Baht 1,060.75 million (2019: Baht 1,060.34 million).

RAV, 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 are 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.

Summarised statement of comprehensive income

	Unit: Baht			
	SF		MJLF	
	2020	(Restated) 2019	2020	(Restated) 2019
Revenue	1,610,039,153	1,353,830,196	294,850,159	413,874,767
Profit from continuing operation	2,473,063,069	2,219,736,570	93,366,101	329,562,154
Post-tax profit from continuing operations	2,213,168,853	2,051,963,398	93,366,101	329,562,154
Other comprehensive income	-	738,414	-	-
Total comprehensive income	2,213,168,853	2,052,701,812	93,366,101	329,562,154
Dividends received from associates	134,694,114	46,342,123	40,837,500	88,209,000



18 Investments in associates (Cont'd)

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

Summarised statement of financial position

	SF		MJLF	
	2020	(Restated) 2019	2020	(Restated) 2019
Current assets	317,091,082	351,588,651	264,903,716	274,367,675
Non-current assets	24,244,165,974	21,018,348,876	3,945,641,935	3,916,591,446
Current liabilities	2,109,530,117	1,851,005,869	117,032,263	70,891,727
Non-current liabilities	6,280,160,580	5,058,036,911	90,655,978	86,826,066
Net assets including non-controlling interests	16,171,566,360	14,460,894,747	4,002,857,411	4,033,241,310
Non-controlling interests	(1,237,304,249)	(1,107,695,749)	-	-
Net assets excluding non-controlling interests	14,934,262,111	13,353,198,998	4,002,857,411	4,033,241,310

Reconciliation of summarised financial information

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

Summarised financial information	SF		MJLF	
	2020	(Restated) 2019	2020	(Restated) 2019
Net assets excluding non-controlling interests as at period end	14,934,262,111	13,353,198,998	4,002,857,411	4,033,241,310
Interest in associate (%)	29.13	28.09	33.00	33.00
Interest in joint venture	4,350,350,553	3,750,913,599	1,320,942,946	1,330,969,632
Adjusted gain from inter-company's selling assets	-	-	(260,197,382)	(270,634,461)
Effect from change of percentage of ownership interest	(34,518,659)	-	-	-
Carrying value	4,315,831,894	3,750,913,599	1,060,745,564	1,060,335,171

Individually immaterial associates

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

	Consolidated financial statements		Separate financial statements	
	2020	(Restated) 2019	2020	(Restated) 2019
Aggregate carrying amount of individually immaterial associates	872,725,559	775,625,637	828,169,326	734,592,859
Aggregate amounts of the reporting entity's share of profit from continuing activities	105,929,405	(16,270,306)	117,237,340	167,570,443

## 19 Joint Arrangement

### a) Joint ventures

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Investments in joint ventures	56,882,698	67,394,947	-	-
Less: Allowance for impairment	(7,300,000)	-	-	-
Investments in joint ventures, net	49,582,698	67,394,947	-	-

#### Movements of investments in joint ventures

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Opening net book amount	67,394,947	75,176,404	-	-
Acquisition of investment	-	1,304,000	-	-
Share of loss of investments in joint ventures	(10,517,858)	(8,841,816)	-	-
Share of comprehensive income(loss)	5,609	(243,641)	-	-
Allowance for impairment	(7,300,000)	-	-	-
Closing net book amount	49,582,698	67,394,947	-	-

#### Impairment

##### 2020

##### Joint venture under M Pictures Company Limited (Subsidiary)

As of 31 December 2020, M Pictures Company Limited recognised loss from impairment on the investment in Transformation Films Company Limited in consolidated income statement amounting to Baht 7.30 million. The impairment was primarily due to the significant decrease in projected revenue because of external factors as well as market situation and trend.

##### 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.

**Major Cineplex Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

**19 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	
				2020 (%)	2019 (%)
Major Kantana Broadcasting Company Limited	Satellite broadcasting and distribution of film rights	Shareholder	Thailand	41.61	41.61
Transformation Films Company Limited	Film production, advertising, TV broadcasting and services for all forms of entertainment	Shareholder	Thailand	32.07	32.07
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

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.

19 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 equity method.

	Unit: Baht	
	2020	2019
Aggregate carrying amount of individually immaterial joint ventures	49,582,698	67,394,947
Aggregate amounts of the reporting entity's share of: loss from continuing activities	(10,571,858)	(8,841,816)

Commitments and contingent liabilities in respect of joint ventures

The Group has no contingent liabilities relating to the Group's interests of 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	
				2020 %	2019 %
Joint Venture Hug Terd Tueng	Film production	Indirect shareholder	Thailand	50.85	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	
				2020 %	2019 %
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	64.72
Joint Venture Bikeman 2	Film production	Indirect shareholder	Thailand	50.85	50.85
Joint Venture Sam Gler Hua Kaeng and Juad Kathoei Bung Fai	Film production	Indirect shareholder	Thailand	64.72	64.72

The Group holds 50.85% to 64.72% of the voting right in Joint venture Bikeman, Joint venture Gang Tann Zine and Laan25 Naa24, Joint venture Bikeman 2 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.

**19 Joint Arrangement (Cont'd)**

**b) Joint operation (Cont'd)**

**Addition of investment**

**2020**

**Joint operation under M Thirty Nine Company Limited (Subsidiary)**

M Thirty Nine Company Limited invested in "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 10.85 million on 8 January 2020.

**2019**

**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 operations as follows:

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.

**Return of investment**

**Joint operation under M Thirty Nine Company Limited (Subsidiary)**

**2020**

M Thirty Nine Company Limited received returned of investment in joint operations as follows:

1. "Joint Venture Bikeman 2" amounting to Baht 13.48 million on 21 January 2020, 20 August 2020 and 30 November 2020.
2. "Joint Venture Gang Tann Zine and Laan25 Naa24" amounting to Baht 3.50 million on 3 February 2020 and amounting to Baht 21.00 million on 5 January 2021.
3. "Joint Venture Sam Gler Hua Kaeng and Juad Kathoei Bung Fai" amounting to Baht 9.05 million on 9 September 2020 and 30 November 2020.

**2019**

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

20 Investment property

	Unit: Baht
	Consolidated financial statements
	Land, building and improvement
Opening balance as at 1 January 2019 - Restated (Note 6)	567,414,135
Net loss from fair value adjustment	(77,864,951)
Transfer from property, plant and equipment	268,084
	489,817,268
Closing balance as at 31 December 2019 – Restated (Note 6)	489,817,268
Impacts from the adoption of the new standard (TFRS 16 and TFRS 9) (Note 6)	(5,895,144)
Opening balance as at 1 January 2020 - Restated (Note 6)	483,922,124
Net loss from fair value adjustment	(6,911,695)
Transfer from property, plant and equipment	5,792,146
Write-off	(1,848,196)
Closing balance as at 31 December 2020	480,954,379

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	(Restated)		(Restated)	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cost	1,631,781,362	1,632,652,332	-	-
Less Accumulated depreciation	(1,282,633,013)	(1,200,217,397)	-	-
Net book amount	349,148,349	432,434,935	-	-

As at 31 December, the Group has right-of-use assets for the leases of land and office buildings that are classified as investment property as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Net book value of right-of-use assets	88,531,243	128,264,582	-	-

There is no addition to the right-of-use assets during 2020.



Major Cineplex Group Public Company Limited  
Notes to the Consolidated and Separate Financial Statements  
For the year ended 31 December 2020

21 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	
<b>As at 1 January 2019 - Restated</b>								
Cost	173,406,998	767,743,855	4,972,011,384	1,847,168,504	6,999,166,249	703,589,797	26,747,971	15,555,327,774
Less: Accumulated depreciation	-	(482,816,896)	(2,852,811,209)	(935,827,556)	(4,225,675,058)	(564,833,480)	(21,749,810)	(8,803,514,008)
Allowance for impairment	-	-	(181,305,369)	(14,994,901)	(86,037,685)	(789,749)	-	(263,127,684)
Net book value	173,406,998	284,926,960	2,238,094,806	876,346,147	2,707,453,526	137,966,568	4,998,161	6,488,686,082
<b>For the year ended</b>								
<b>31 December 2019 - Restated</b>								
Opening net book value	173,406,998	294,926,960	2,238,094,806	876,346,147	2,707,453,526	137,966,568	4,998,161	6,488,686,082
Exchange differences	-	-	(12,251,354)	(253,681)	(6,623,123)	(805,815)	(2,574)	(22,922,295)
Additions	-	1,944,860	77,895,752	67,019,906	229,457,981	37,251,460	-	576,117,559
Transfer	-	1,179,538	53,061,986	11,284,041	107,882,531	(27,381,011)	-	(146,037,185)
Transfer to investment property	-	-	(268,084)	-	-	-	-	(268,084)
Disposal of subsidiary	-	-	-	-	(389,685)	(241,964)	-	(631,649)
Disposals, net	-	-	(528,664)	(7,539,442)	(15,105,446)	(128,761)	(441,853)	(23,742,165)
Write-off, net	-	-	(1,287,528)	(158,946)	(6,200,511)	(43,036)	-	(7,690,021)
Depreciation charge	-	(34,335,603)	(267,827,134)	(111,781,637)	(495,538,239)	(72,254,263)	(2,075,030)	(883,811,905)
Impairment charge, net (reversal)	-	-	18,203,615	-	(89,704,999)	(20,712)	-	(71,522,095)
Closing net book value	173,406,998	253,715,855	2,105,095,395	834,916,408	2,431,242,035	74,542,686	2,478,704	5,954,215,424
<b>As at 31 December 2019 - Restated</b>								
Cost	173,406,998	770,868,352	4,988,100,724	1,905,232,479	7,187,305,093	696,347,909	23,351,268	15,821,430,206
Less: Accumulated depreciation	-	(517,152,497)	(2,716,721,504)	(1,058,810,330)	(4,620,353,794)	(621,003,611)	(20,872,584)	(9,554,914,320)
Allowance for impairment	-	-	(164,283,825)	(11,505,741)	(135,709,264)	(901,632)	-	(312,300,462)
Net book value	173,406,998	253,715,855	2,105,095,395	834,916,408	2,431,242,035	74,542,686	2,478,704	5,954,215,424

Major Cineplex Group Public Company Limited  
Notes to the Consolidated and Separate Financial Statements  
For the year ended 31 December 2020

21 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	Vehicle	
<b>For the year ended 31 December 2020</b>								
Prior year's net book value (Restated)	173,406,998	253,715,855	2,105,095,385	834,916,408	2,431,242,035	74,542,666	2,478,704	5,954,215,424
Impacts from the adoption of the new standard (TFRS 16) (Note 6)	-	(271,887)	-	-	-	-	-	(271,887)
<b>Opening net book value (Restated)</b>	173,406,998	253,443,968	2,105,095,385	834,916,408	2,431,242,035	74,542,666	2,478,704	5,953,943,537
Exchange differences	-	-	1,444,532	118,413	2,158,175	554,666	811	4,123,671
Additions	-	709,506	12,870,175	17,003,162	42,701,423	10,645,335	5,701,140	157,698,586
Transfer	-	1,267,210	19,445,325	187,354	39,455,519	64,350	-	(60,419,758)
Transfer to investment property	-	-	-	-	-	-	-	(5,792,145)
Disposal of subsidiary	-	-	(103,612)	(51,100)	(1,753,204)	(417,191)	-	(417,191)
Disposals, net	-	-	(3)	(267,252)	(2,284,723)	(1,785)	(20,410)	(1,930,111)
Write-off, net	-	(371,761)	(3)	(267,252)	(2,284,723)	(18,738)	(1)	(3,806,792)
Depreciation charge	-	(34,300,052)	(279,417,105)	(112,444,337)	(426,359,156)	(47,527,921)	(1,683,513)	(801,732,084)
Reclassification	-	-	29,850,256	-	494,330	8,949,229	-	-
Impairment charge, net	-	-	-	(1,680,571)	(39,434,969)	(188,581)	(39,293,815)	(41,284,121)
<b>Closing net book value</b>	173,406,998	220,748,851	1,889,184,963	737,782,077	2,046,219,430	46,622,030	6,497,141	5,160,804,349
<b>As at 31 December 2020</b>								
Cost	173,406,998	769,676,578	5,043,835,552	1,867,455,529	7,184,192,450	702,194,545	29,052,086	15,810,156,597
Less: Accumulated depreciation	-	(548,927,727)	(2,991,548,835)	(1,117,402,477)	(4,973,596,611)	(654,609,114)	(22,554,945)	(10,308,639,709)
Allowance for impairment	-	-	(163,101,754)	(12,270,975)	(164,376,409)	(963,401)	-	(340,712,539)
<b>Net book value</b>	173,406,998	220,748,851	1,889,184,963	737,782,077	2,046,219,430	46,622,030	6,497,141	5,160,804,349

Major Cineplex Group Public Company Limited  
Notes to the Consolidated and Separate Financial Statements  
For the year ended 31 December 2020

21 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	
<b>As at 31 December 2019</b>							
- Restated							
Cost	173,406,998	3,417,443,653	1,011,823,384	3,537,346,939	491,503,363	18,433,251	8,672,104,984
Less: Accumulated depreciation	-	(1,670,193,345)	(379,377,865)	(1,800,976,392)	(384,148,890)	(14,261,320)	(4,248,957,832)
Allowance for impairment	-	-	(619,121)	(9,897,923)	(15,534)	-	(10,532,578)
Net book value	173,406,998	1,747,250,308	631,826,378	1,726,472,624	107,338,939	4,171,931	4,412,614,574
<b>For the year ended 31 December 2019 - Restated</b>							
Opening net book value	173,406,998	1,747,250,308	631,826,378	1,726,472,624	107,338,939	4,171,931	4,412,614,574
Additions	-	50,390,268	53,710,123	172,461,053	26,987,919	-	425,243,034
Transfer	-	43,877,456	8,324,146	91,907,358	(27,644,505)	-	(116,464,455)
Disposals, net	-	(303,200)	(180,036)	(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	-	(193,758,646)	(72,186,963)	(330,298,432)	(51,589,948)	(1,720,800)	(649,556,589)
Closing net book value	173,406,998	1,652,128,658	621,362,775	1,650,715,566	54,821,491	2,451,331	4,176,297,431
<b>As at 31 December 2019</b>							
- Restated							
Cost	173,406,998	3,419,412,526	1,072,860,745	3,731,907,323	482,055,708	18,433,251	8,919,487,163
Less: Accumulated depreciation	-	(1,766,101,797)	(450,878,849)	(2,077,292,297)	(427,227,406)	(15,981,920)	(4,737,482,269)
Allowance for impairment	-	(1,182,071)	(619,121)	(3,899,460)	(6,811)	-	(5,707,463)
Net book value	173,406,998	1,652,128,658	621,362,775	1,650,715,566	54,821,491	2,451,331	4,176,297,431



Major Cineplex Group Public Company Limited  
Notes to the Consolidated and Separate Financial Statements  
For the year ended 31 December 2020

21 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	Construction in progress	
<b>For the year ended 31 December 2020</b>								
Opening net book value	173,406,998	1,652,128,658	621,362,775	1,650,715,566	54,821,491	2,451,331	21,410,612	4,176,297,431
Additions	-	2,570,405	8,276,997	24,278,393	4,687,012	-	23,663,471	63,476,278
Transfer	-	6,075,296	1,344,662	19,605,195	413,872	-	(27,438,025)	-
Disposals, net	-	(9,748)	(43,962)	(3,394,058)	(126)	-	-	(3,447,894)
Write-off, net	-	-	(263,138)	(2,259,087)	(18,347)	(1)	-	(2,540,573)
Depreciation charge	-	(195,746,685)	(74,590,384)	(288,396,086)	(32,199,031)	(1,379,144)	-	(592,311,330)
Closing net book value	173,406,998	1,465,017,926	556,086,950	1,400,549,923	27,704,871	1,072,186	17,635,058	3,641,473,912
<b>As at 31 December 2020</b>								
Cost	173,406,998	3,428,048,478	1,082,175,304	3,770,137,767	487,138,119	18,433,250	17,635,058	8,976,974,974
Less: Accumulated depreciation	-	(1,961,848,481)	(525,469,233)	(2,365,686,394)	(459,426,437)	(17,361,064)	-	(5,329,793,599)
Allowance for impairment	-	(1,182,071)	(619,121)	(3,899,460)	(6,811)	-	-	(5,707,463)
Net book value	173,406,998	1,465,017,926	556,086,950	1,400,549,923	27,704,871	1,072,186	17,635,058	3,641,473,912

21 Property, plant and equipment (Cont'd)

Classification of depreciation

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2020	(Restated) 2019	2020	(Restated) 2019
Costs of providing services	696	736	437	468
Administrative expense	206	247	155	181
	902	983	592	649

As at 31 December 2020, the land and buildings with the net book value of Baht 35.62 million (2019: Baht 35.43 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 2020, an impairment charge of Baht 41.28 million was recognised for tools, equipment, fixtures and office equipment for closed branches. The cash-generating unit is each branch location.

22 Right-of-use assets

	Unit: Baht		
	Consolidated financial statements		
	Buildings	Equipment	Total
<b>Balance as at 1 January 2019</b>	2,862,312,882	247,820,528	3,110,133,410
- Restated (Note 6)	2,862,312,882	247,820,528	3,110,133,410
Additions	93,265,237	-	93,265,237
Lease modifications and reassessments	-	(1,431,560)	(1,431,560)
Depreciation	(260,238,183)	(60,727,800)	(320,965,983)
Currency translation differences	(7,106,898)	(3,195,287)	(10,302,165)
<b>Balance as at 31 December 2019</b>	2,688,233,038	182,465,901	2,870,698,939
- Restated (Note 6)	2,688,233,038	182,465,901	2,870,698,939
Impacts from the adoption of the new standard (TFRS 9) (Note 6)	24,084,059	-	24,084,059
<b>Balance as at 1 January 2020</b>	2,712,317,097	182,465,901	2,894,782,998
- Restated (Note 6)	2,712,317,097	182,465,901	2,894,782,998
Additions	94,702,289	-	94,702,289
Lease modifications and reassessments	597,146	-	597,146
Depreciation	(272,369,997)	(54,762,544)	(327,132,541)
Currency translation differences	(318,550)	(128,342)	(446,892)
<b>Balance as at 31 December 2020</b>	2,534,927,985	127,575,015	2,662,503,000

22 Right-of-use assets (Cont'd)

	Unit: Baht		
	Separate financial statements		
	Buildings	Equipment	Total
<b>Balance as at 1 January 2019 - Restated</b> (Note 6)	2,237,111,964	172,256,553	2,409,368,517
Additions	82,243,004	-	82,243,004
Lease modifications and reassessments	-	(1,431,560)	(1,431,560)
Depreciation	(195,110,789)	(48,641,335)	(243,752,124)
<b>Balance as at 31 December 2019</b> <b>- Restated</b> (Note 6)	2,124,244,179	122,183,658	2,246,427,837
Impacts from the adoption of the new standard (TFRS 9) (Note 6)	22,474,120	-	22,474,120
<b>Balance as at 1 January 2020</b> <b>- Restated</b> (Note 6)	2,146,718,299	122,183,658	2,268,901,957
Additions	114,601	-	114,601
Depreciation	(201,895,133)	(42,651,645)	(244,546,778)
<b>Balance as at 31 December 2020</b>	1,944,937,767	79,532,013	2,024,469,780

23 Goodwill

	Unit: Baht	
	Consolidated financial statements	
	2020	(Restated) 2019
<b>As at 1 January</b>		
Cost	337,065,399	337,065,399
<u>Less</u> Allowance for impairment	(261,924,775)	(206,924,775)
Net book value	75,140,624	130,140,624
<b>For the year ended 31 December</b>		
Opening net book value	75,140,624	130,140,624
Impairment charge	(75,140,624)	(55,000,000)
Closing net book value	-	75,140,624
<b>As at 31 December</b>		
Cost	337,065,399	337,065,399
<u>Less</u> Allowance for impairment	(337,065,399)	(261,924,775)
Net book value	-	75,140,624



**Major Cineplex Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

**23 Goodwill (Cont'd)**

A segment-level summary of the goodwill allocation is presented below.

	Consolidated financial statements					Unit: Baht
	Cinema business	Advertising business	Bowling and karaoke business	Rental and services business	Movie content business	Total
<b>Goodwill allocation</b>						
<b>For the year ended 31 December 2019</b>						
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)	(52,746,610)	(204,859,350)	(261,924,775)
Net book value	17,167,947	-	-	-	57,972,677	75,140,624
<b>Goodwill allocation</b>						
<b>For the year ended 31 December 2020</b>						
Cost	20,159,523	-	1,327,239	52,746,610	262,832,027	337,065,399
Less Allowance for impairment	(20,159,523)	-	(1,327,239)	(52,746,610)	(262,832,027)	(337,065,399)
Net book value	-	-	-	-	-	-
<b>Impairment</b>						

During 2020, subsidiaries which operate in movie content segment and cinema segment, respectively, were severely affected by the situation of COVID-19 pandemic, causing the significant decrease in value-in-use. Therefore, the Group has impaired the entire amount of goodwill relating to those business segments in the consolidated financial statements.

Major Cineplex Group Public Company Limited  
Notes to the Consolidated and Separate Financial Statements  
For the year ended 31 December 2020

24 Intangible assets

	Consolidated financial statements			Separate financial statements			Unit: Baht
	Film rights	Computer program	Program in progress	Total	Computer program	Program in progress	Total
<b>At 1 January 2019</b>							
Cost	1,543,976,111	215,899,489	3,057,854	1,762,933,454	183,635,651	-	183,635,651
Less Accumulated amortisation	(1,467,723,922)	(152,941,026)	-	(1,620,664,948)	(133,412,897)	-	(133,412,897)
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	-	50,222,754
<b>For the year ended 31 December 2019</b>							
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
<b>At 31 December 2019</b>							
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

Major Cineplex Group Public Company Limited  
Notes to the Consolidated and Separate Financial Statements  
For the year ended 31 December 2020

24 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	
<b>For the year ended 31 December 2020</b>							
Opening net book value	39,433,961	59,241,559	38,691,723	137,367,243	50,574,360	28,421,541	78,995,901
Exchange differences	-	(12,891)	-	(12,891)	-	-	-
Additions	30,646,174	14,146,114	23,603,699	68,395,987	10,777,931	33,133,949	43,911,880
Transfer	-	29,872,210	(29,872,210)	-	36,810,223	(36,810,223)	-
Transfer in from film under production	101,215,373	-	-	101,215,373	-	-	-
Write-off, net	(1,035,470)	(4,243)	-	(1,039,713)	(4,240)	-	(4,240)
Allowance for impairment	-	(5)	-	(5)	-	-	-
Amortisation	(128,328,006)	(27,948,773)	-	(156,276,779)	(25,070,432)	-	(25,070,432)
Closing net book value	41,932,032	75,293,971	32,423,212	149,649,215	73,087,842	24,745,267	97,833,109
<b>At 31 December 2020</b>							
Cost	1,397,005,500	277,981,023	32,423,212	1,707,409,735	251,454,049	24,745,267	276,199,316
Less Accumulated amortisation	(1,341,363,979)	(201,665,816)	-	(1,543,029,795)	(178,366,207)	-	(178,366,207)
Allowance for impairment	(13,709,489)	(1,021,236)	-	(14,730,725)	-	-	-
Net book value	41,932,032	75,293,971	32,423,212	149,649,215	73,087,842	24,745,267	97,833,109

Amortisation recognised in profit and loss are as follow:

	Consolidated financial statements		Separate financial statements		Unit: Million Baht
	2020	2019	2020	2019	
Cost of sales	128	247	-	-	-
Administrative expenses	28	24	25	20	20
	156	271	25	20	20

25 Deferred income tax

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	(Restated) 2019	2020	(Restated) 2019
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered within 12 months	81,298,039	5,687,493	38,365,840	1,128,490
Deferred tax assets to be recovered after more than 12 months	795,069,214	706,356,736	577,013,920	492,454,198
	<u>876,367,253</u>	<u>712,044,229</u>	<u>615,379,760</u>	<u>493,582,688</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	(50,934,481)	(110,105,255)	(32,160,878)	(63,198,550)
Deferred tax liabilities to be settled after more than 12 months	(957,106,607)	(842,199,199)	(711,839,876)	(634,042,420)
	<u>(1,008,041,088)</u>	<u>(952,304,454)</u>	<u>(744,000,754)</u>	<u>(697,240,970)</u>
<b>Deferred tax, net</b>	<u>(131,673,835)</u>	<u>(240,260,225)</u>	<u>(128,620,994)</u>	<u>(203,658,282)</u>

The gross movements in the deferred income tax account are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
As at 1 January - Restated (Note 6)	(240,260,225)	(138,099,943)	(203,658,282)	49,915,515
Impacts from the adoption of the new standards (Note 6)	4,067,869	(36,191,348)	3,287,225	(153,464,250)
As at 1 January - Restated (Note 6)	(236,192,356)	(174,291,291)	(200,371,057)	(103,548,735)
Debited (credited) to profit or loss (Note 41)	104,834,936	(65,899,958)	71,750,063	(100,643,111)
Debited (credited) to comprehensive income or loss	(315,536)	(68,976)	-	533,564
Disposal of subsidiary	(879)	-	-	-
As at 31 December (2019 - Restated)	<u>(131,673,835)</u>	<u>(240,260,225)</u>	<u>(128,620,994)</u>	<u>(203,658,282)</u>



25 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities is as follows:

	Consolidated financial statements				Unit: Baht
	(Restated) As at 1 January 2020	Charged (credited) to profit or loss	Charged (credited) to other comprehensive income or loss	Disposal of Subsidiary	As at 31 December 2020
<b>Deferred tax assets</b>					
Investment in associates					
according to equity method	4,831,024	2,846,860	-	-	7,677,884
Tax losses carried forward	1,739,255	158,057,829	-	-	159,797,084
Expected credit losses	9,815,749	7,814,035	-	-	17,629,784
Allowance for obsolete inventory	4,018,273	1,800,000	-	-	5,818,273
Amortisation of film rights	14,327,481	(10,031,909)	-	-	4,295,572
Depreciation	24,901,579	(3,157,697)	-	-	21,743,882
Impairment of assets	33,086,055	1,723,628	-	-	34,809,683
Investment properties	7,474,347	(41,682,161)	-	-	(34,207,814)
Prepaid rents	255,147	(23,372)	-	-	231,775
Lease liabilities	511,263,752	17,894,324	-	-	529,178,076
Employee benefits	15,484,925	(471,986)	-	(879)	15,012,060
Provision for customers					
loyalty program	1,646,102	(33,868)	-	-	1,612,234
Subsidy for construction received	35,456,944	631,473	-	-	36,088,417
Advance income	6,213,424	3,701,559	-	-	9,914,983
Long-term deposits	7,150,865	(456,331)	-	-	6,694,534
Exchange differences	-	-	(201,765)	-	(201,765)
<b>Total</b>	<b>677,684,922</b>	<b>138,612,384</b>	<b>(201,765)</b>	<b>(879)</b>	<b>816,094,662</b>
<b>Deferred tax liabilities</b>					
Investment in associates and					
joint ventures according to					
equity method	(321,620,729)	(91,695,608)	-	-	(413,316,337)
Amortisation	(1,178,637)	1,105,348	-	-	(73,289)
Finance lease receivables	(897,963)	(2,279,465)	-	-	(3,177,428)
Depreciation	(29,313,364)	27,444,576	-	-	(1,868,788)
Right-of-use assets	(411,316,126)	18,863,805	-	-	(392,452,321)
Deferred rental and					
services income	(149,550,459)	12,783,896	-	-	(136,766,563)
Exchange differences	-	-	(113,771)	-	(113,771)
<b>Total</b>	<b>(913,877,278)</b>	<b>(33,777,448)</b>	<b>(113,771)</b>	<b>-</b>	<b>(947,768,497)</b>
<b>Deferred tax, net</b>	<b>(236,192,356)</b>	<b>104,834,936</b>	<b>(315,536)</b>	<b>(879)</b>	<b>(131,673,835)</b>

25 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities is as follows: (Cont'd)

	Consolidated financial statements			Unit: Baht
	(Restated) As at 1 January 2019	Charged (credited) to profit or loss	Charged (credited) to other comprehensive income or loss	(Restated) As at 31 December 2019
<b>Deferred tax assets</b>				
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 accounts	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	(96,727)	-	14,329,481
Depreciation	13,668,902	11,332,868	-	24,901,770
Impairment of assets	37,044,994	(3,958,939)	-	33,086,055
Investment properties	9,559,302	(2,041,842)	-	7,517,460
Prepaid rents	278,520	(23,373)	-	255,147
Lease liabilities	549,965,616	(38,681,864)	-	511,283,752
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	-	-	(951,412)	(951,412)
<b>Total</b>	<b>701,853,146</b>	<b>(32,714,857)</b>	<b>(155,334)</b>	<b>668,982,955</b>
<b>Deferred tax liabilities</b>				
Investment in associates and				
joint ventures according to				
equity method	(230,262,540)	(93,238,694)	-	(323,501,234)
Amortisation	(1,040,010)	(138,627)	-	(1,178,637)
Finance lease receivables	(2,253,082)	78,597	-	(2,174,485)
Depreciation	(39,522,556)	10,122,836	-	(29,399,720)
Right-of-use assets	(442,499,498)	37,276,705	-	(405,222,793)
Deferred rental and services income	(160,566,751)	12,714,082	-	(147,852,669)
Exchange differences	-	-	86,358	86,358
<b>Total</b>	<b>(876,144,437)</b>	<b>(33,185,101)</b>	<b>86,358</b>	<b>(909,243,180)</b>
<b>Deferred tax, net</b>	<b>(174,291,291)</b>	<b>(65,899,958)</b>	<b>(68,976)</b>	<b>(240,260,225)</b>



25 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities is as follows: (Cont'd)

	Unit: Baht		
	Separate financial statements		
	(Restated) As at 1 January 2020	Charged (credited) to profit or loss	Charged to other comprehensive income
			As at 31 December 2020
<b>Deferred tax assets</b>			
Tax losses carried forward	-	143,589,917	-
Expected credit losses	882,624	887,900	-
Allowance for obsolete inventory	4,018,273	260,000	-
Depreciation	31	-	-
Impairment of assets	465,704	(433,343)	-
Lease liabilities	428,582,273	(16,013,310)	-
Employee benefits	10,891,446	(349,085)	-
Provision for customers loyalty program	1,646,102	(33,868)	-
Subsidy for construction received	34,656,944	(1,424,576)	-
Long-term deposits	6,648,147	(439,154)	-
<b>Total</b>	<b>487,791,544</b>	<b>126,044,481</b>	<b>-</b>
<b>Deferred tax liabilities</b>			
Investment in associates according to equity method	(321,620,729)	(91,695,608)	-
Amortisation	(967,280)	922,842	-
Depreciation	(10,208,055)	9,887,846	-
Right-of-use assets	(353,737,311)	26,496,192	-
Deferred rental and service income	(1,629,226)	94,310	-
<b>Total</b>	<b>(688,162,601)</b>	<b>(54,294,418)</b>	<b>-</b>
<b>Deferred tax, net</b>	<b>(200,371,057)</b>	<b>71,750,063</b>	<b>-</b>
	Unit: Baht		
	Separate financial statements		
	(Restated) As at 1 January 2019	Charged (credited) to profit or loss	Charged to other comprehensive income
			(Restated) As at 31 December 2019
<b>Deferred tax assets</b>			
Investment in associates according to equity method	8,700,000	(8,700,000)	-
Allowance for obsolete inventory	3,920,000	98,273	-
Depreciation	4,454	(4,423)	-
Impairment of assets	783,921	(318,217)	-
Lease liabilities	458,482,682	(29,900,409)	-
Employee benefits	8,395,509	1,962,373	533,564
Provision for customers loyalty program	1,682,134	(36,032)	-
Subsidy for construction received	36,276,119	(1,619,175)	-
<b>Total</b>	<b>518,244,819</b>	<b>(38,517,610)</b>	<b>533,564</b>
<b>Deferred tax liabilities</b>			
Investment in associates according to equity method	(230,262,540)	(93,238,694)	-
Amortisation	(844,890)	(122,390)	-
Depreciation	(10,738,512)	530,457	-
Right-of-use assets	(379,947,612)	30,705,126	-
<b>Total</b>	<b>(621,793,554)</b>	<b>(62,125,501)</b>	<b>-</b>
<b>Deferred tax, net</b>	<b>(103,548,735)</b>	<b>(100,643,111)</b>	<b>533,564</b>

25 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	
	2020	(Restated) 2019	2020	(Restated) 2019
Deferred tax assets	109,906,737	69,983,355	-	-
Deferred tax liabilities	(241,580,572)	(310,243,580)	(128,620,994)	(203,658,282)
Deferred tax, net	(131,673,835)	(240,260,225)	(128,620,994)	(203,658,282)

26 Prepaid services

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	(Restated) 2019	2020	(Restated) 2019
Current portion	1,875,600	2,875,600	1,875,600	1,875,600
Long-term portion	54,790,976	35,262,735	54,325,680	31,026,700
	56,666,576	38,138,335	56,201,280	32,902,300

27 Other non-current assets

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deposits	141,663,424	179,637,123	105,719,922	140,098,156
Others	13,141,781	13,348,336	-	3,304,905
	154,805,205	192,985,459	105,719,922	143,403,061

28 Trade accounts and other payables

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts payables - third parties	601,530,265	831,231,174	313,916,274	535,775,705
Trade accounts payables - related parties (Note 44)	182,751,903	25,921,648	204,844,122	92,851,379
Amounts due to related parties (Note 44)	25,112,121	102,252,850	30,698,942	140,022,355
Other payables	221,116,476	261,116,415	140,895,310	178,285,342
Accrued expenses	345,143,305	514,156,196	208,444,517	300,456,460
Rental income received in advance	19,661,666	10,009,257	-	-
	1,395,315,736	1,744,687,540	898,799,165	1,247,391,241

## 29 Borrowings

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Current</b>				
Bank overdrafts	275,056	276,127	-	-
Short-term loans from financial institutions	1,782,038,674	2,118,302,035	1,747,038,674	2,096,302,035
Total bank overdrafts and short-term loans from financial institutions	1,782,313,730	2,118,578,162	1,747,038,674	2,096,302,035
Current portion of long-term borrowings				
- Loans from financial institutions	345,000,000	383,000,000	345,000,000	383,000,000
- Debentures	500,000,000	-	500,000,000	-
Total current portion of long-term borrowings	845,000,000	383,000,000	845,000,000	383,000,000
<b>Non-current</b>				
Long-term loans from financial institutions	1,505,000,000	-	1,505,000,000	-
Debentures	1,000,000,000	1,500,000,000	1,000,000,000	1,500,000,000
Total non-current portion of long-term borrowings	2,505,000,000	1,500,000,000	2,505,000,000	1,500,000,000
<b>Total borrowings</b>	<b>5,132,313,730</b>	<b>4,001,578,162</b>	<b>5,097,038,674</b>	<b>3,979,302,035</b>

### 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 1.21% to 4.10% per annum (2019: 1.66% to 2.20% per annum).

### Long-term loans from financial institutions

Long-term loans from financial institutions bear interest at the rates ranging from 2.60% to 3.78% per annum (2019: 2.85% to 3.04% per annum).

The Company has pledged 69 million shares of Siam Future Development Public Company Limited (SF) as collateral for a long-term loan.

### Debentures

The Company issued a straight, unsecured and unsubordinated 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 period. The Company has to maintain the debt to equity ratio at the ratio stipulated in the prospectus.

There was no movement in debentures during 2020.

### Borrowing facilities

The Group disclosed the borrowing facilities in note 8.

29 Borrowings (Cont'd)

Lease liabilities

Maturity of lease liabilities are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Minimum finance lease liabilities payments</b>				
3,650,477,016	3,927,565,443	2,766,498,919	3,024,795,260	
<u>Less: Future finance charges on finance leases</u>	<u>(895,896,573)</u>	<u>(1,007,391,529)</u>	<u>(703,654,104)</u>	<u>(799,640,889)</u>
Present value of lease liabilities	<u>2,754,580,443</u>	<u>2,920,173,914</u>	<u>2,062,844,815</u>	<u>2,225,154,371</u>
<b>Present value of lease liabilities:</b>				
Not later than 1 year	272,671,139	247,698,188	172,890,778	162,209,429
Later than 1 year but not later than 5 years	886,500,902	943,907,385	644,027,309	656,900,976
Later than 5 years	<u>1,595,408,402</u>	<u>1,728,568,341</u>	<u>1,245,926,728</u>	<u>1,406,043,966</u>
	<u>2,754,580,443</u>	<u>2,920,173,914</u>	<u>2,062,844,815</u>	<u>2,225,154,371</u>



Major Cineplex Group Public Company Limited  
Notes to the Consolidated and Separate Financial Statements  
For the year ended 31 December 2020

29 Borrowings (Cont'd)

Change in liabilities arising from financing activities

	Consolidated financial statements					Unit: Baht
	Bank overdrafts	Short-term loans from financial institutions	Long-term loans from financial institutions	Debentures	Lease liabilities	Total
<b>As at 1 January 2019 - Restated</b>						
Cash flows in	4,992,753	1,413,179,689	971,000,000	1,500,000,000	3,068,796,127	6,957,968,569
Cash flows out	276,127	5,356,147,090	-	-	-	5,356,423,217
- Principle elements	(4,992,753)	(4,670,000,000)	(588,000,000)	-	(237,906,751)	(5,500,899,504)
- Interest	-	-	-	-	(135,833,794)	(135,833,794)
Acquisitions - lease liabilities less lease incentives	-	-	-	-	93,265,237	93,265,237
Increase in interest	-	18,975,256	-	-	135,833,794	154,809,050
Foreign exchange adjustments	-	-	-	-	(3,980,699)	(3,980,699)
<b>As at 31 December 2019 - Restated</b>	276,127	2,118,302,035	383,000,000	1,500,000,000	2,920,173,914	6,921,752,076
Cash flows in	-	7,840,652,322	800,000,000	-	-	8,640,652,322
Cash flows out	-	(6,992,000,000)	(533,000,000)	-	(137,904,791)	(7,662,904,791)
- Principle elements	-	-	-	-	(52,569,266)	(52,569,266)
- Interest	-	-	-	-	94,364,734	94,364,734
Acquisitions - lease liabilities less lease incentives	-	-	-	-	(121,512,785)	(121,512,785)
Lease discount	-	15,084,317	-	-	52,569,266	67,653,583
Increase in interest	(1,071)	-	-	-	(540,629)	(541,700)
Foreign exchange adjustments	-	(1,200,000,000)	-	-	-	-
Reclassification	-	-	1,200,000,000	-	-	-
<b>As at 31 December 2020</b>	275,056	1,782,038,674	1,850,000,000	1,500,000,000	2,754,580,443	7,886,894,173

29 Borrowings (Cont'd)

Change in liabilities arising from financing activities (Cont'd)

	Separate financial statements				Unit: Baht
	Short-term loans from financial institutions	Long-term loans from financial institutions	Debentures	Lease liabilities	Total
<b>As at 1 January 2019 - Restated</b>	1,398,179,689	971,000,000	1,500,000,000	2,300,507,411	6,169,687,100
Cash flows in	5,179,147,090	-	-	-	5,179,147,090
Cash flows out					
- Principle elements	(4,500,000,000)	(588,000,000)	-	(155,094,272)	(5,243,094,272)
- Interest	-	-	-	(101,481,894)	(101,481,894)
Acquisitions - lease liabilities less lease incentives	-	-	-	82,243,004	82,243,004
Increase in interest	18,975,256	-	-	101,481,894	120,457,150
Foreign exchange adjustments	-	-	-	(2,501,772)	(2,501,772)
<b>As at 31 December 2019 - Restated</b>	2,096,302,035	383,000,000	1,500,000,000	2,225,154,371	6,204,456,406
Cash flows in	7,805,652,322	800,000,000	-	-	8,605,652,322
Cash flows out					
- Principle elements	(6,970,000,000)	(533,000,000)	-	(86,509,445)	(7,589,509,445)
- Interest	-	-	-	(28,429,068)	(28,429,068)
Lease discount	-	-	-	(95,699,982)	(95,699,982)
Increase in interest	15,084,317	-	-	28,429,066	43,513,383
Foreign exchange adjustments	-	-	-	(100,129)	(100,129)
Reclassification	(1,200,000,000)	1,200,000,000	-	-	-
<b>As at 31 December 2020</b>	1,747,038,674	1,850,000,000	1,500,000,000	2,062,844,815	7,159,883,489



30 Other current liabilities

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Undue output value added tax	18,890,529	34,438,215	4,976,331	6,666,847
Withholding tax payables	12,613,991	20,784,851	7,202,722	12,379,727
Others	18,987,477	60,811,867	7,806,947	34,938,585
	<u>50,491,997</u>	<u>116,034,933</u>	<u>19,986,000</u>	<u>53,985,159</u>

31 Employee benefit obligations

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Statement of financial position:				
Retirement benefits				
- Legal severance pay	63,843,308	66,411,867	45,231,538	47,121,488
- Post-employment benefits	7,330,972	7,633,838	4,906,317	5,126,509
Other long-term employee benefits	3,886,019	3,348,655	2,573,952	2,209,232
Liability in the statement of financial position	<u>75,060,299</u>	<u>77,394,360</u>	<u>52,711,807</u>	<u>54,457,229</u>
Profit or loss charge included in operating profit for:				
Settlement benefits				
- Legal severance pay	5,426,793	16,239,317	3,459,960	12,016,895
- Post-employment benefits	777,204	1,789,710	557,073	1,309,700
Other long-term employee benefits				
- Service cost and interest cost	538,471	442,289	364,720	294,406
- Remeasurement	-	357,945	-	240,298
	<u>6,742,468</u>	<u>18,829,261</u>	<u>4,381,753</u>	<u>13,861,301</u>
Loss charge included in other comprehensive income for:				
- Remeasurement of Legal severance pay	-	3,980,389	-	2,667,822

**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.

Post-employment Benefit Plan (PEB) is a retirement benefit plan that provides 3 Baht weight of gold for all employees who render services until their retirement.

31 Employee benefit obligations (Cont'd)

Legal severance pay

The movement in the legal severance pay during the year is as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
As at 1 January	66,411,867	52,146,942	47,121,488	36,001,833
Past service cost	-	8,509,576	-	6,895,323
Current service cost	4,361,752	6,454,615	2,741,463	4,238,097
Interest cost	1,065,041	1,275,126	718,497	883,475
Benefit paid	(7,992,170)	(5,937,477)	(5,349,910)	(3,565,062)
Disposal in investment in subsidiary	(3,182)	(17,304)	-	-
	63,843,308	62,431,478	45,231,538	44,453,666
Remeasurements:				
Loss from change in financial assumptions	-	3,980,389	-	2,667,822
	-	3,980,389	-	2,667,822
As at 31 December	63,843,308	66,411,867	45,231,538	47,121,488

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 were recognised as past service cost during 2019.

The significant actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	%	%	%	%
Discount rate	1.30 - 2.16	1.30 - 2.16	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:

	Impact on defined benefit obligation on legal severance pay					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2020	2019	2020	2019	2020	2019
Discount rate	0.5%	0.5%	Decrease by 2%	Decrease by 2%	Increase by 2%	Increase by 2%
Salary growth rate	0.5%	0.5%	Increase by 3%	Increase by 2%	Decrease by 3%	Decrease by 2%
Turnover rate	10%	10%	Decrease by 9%	Decrease by 7%	Increase by 11%	Increase by 9%

31 Employee benefit obligations (Cont'd)

Post-employment benefit

The movement in the post-employment benefit the year is as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
As at 1 January	7,633,838	6,664,915	5,126,509	4,301,189
Past service cost	-	(118,544)	-	-
Current service cost	677,223	1,768,601	488,903	1,218,487
Interest cost	99,980	139,653	68,170	91,213
Benefit paid	(1,079,963)	(819,844)	(777,265)	(484,380)
Disposal of investment in subsidiary	(106)	(943)	-	-
As at 31 December	7,330,972	7,633,838	4,906,317	5,126,509

The significant actuarial assumptions used were as follows:

		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
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 on post-employment benefit			
		Increase in assumption		Decrease in assumption	
		2020	2019	2020	2019
Discount rate	0.5%	0.5%	Decrease by 2%	Decrease by 2%	Increase by 2%
Gold growth rate	0.5%	0.5%	Increase by 2%	Increase by 2%	Decrease by 2%
Turnover rate	10%	10%	Decrease by 7%	Decrease by 6%	Increase by 9%

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.

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.

31 Employee benefit obligations (Cont'd)

**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 8 years (2019: 9 years).

Expected maturity analysis of undiscounted retirement and post-employment benefits are as follows:

	Consolidated financial statements				Unit: Baht
	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
At 31 December 2020					
Retirement benefits					
- Legal severance pay	9,818,525	2,931,095	14,983,668	72,475,102	100,208,390
- Post-employment benefits	862,035	369,331	1,726,822	7,127,126	10,085,314
Other long-term employee benefits	636,508	545,597	1,847,370	2,033,102	5,062,577
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
	Separate financial statements				Unit: Baht
	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
At 31 December 2020					
Retirement benefits					
- Legal severance pay	4,658,476	803,478	11,520,548	47,340,555	64,323,057
- Post-employment benefits	582,593	190,309	1,185,654	4,689,437	6,647,993
Other long-term employee benefits	478,016	350,099	1,195,681	1,422,935	3,446,731
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

32 Other non-current liabilities

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	(Restated) 2019	2020	(Restated) 2019
Deposit received	258,031,583	261,603,159	35,390,188	40,446,237
Rental income received in advance	42,117,609	51,378,979	-	-
Subsidy for construction received	203,009,566	202,614,034	175,161,842	183,711,841
Others	220,548,856	43,698,858	220,548,854	43,698,856
	<u>723,707,614</u>	<u>559,295,030</u>	<u>431,100,884</u>	<u>267,856,934</u>

33 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 2019	896,266,347	894,667,502	894,667,502	4,055,609,113
Capital reduction	(1,598,845)	-	-	-
As at 31 December 2019	<u>894,667,502</u>	<u>894,667,502</u>	<u>894,667,502</u>	<u>4,055,609,113</u>
As at 31 December 2020	<u>894,667,502</u>	<u>894,667,502</u>	<u>894,667,502</u>	<u>4,055,609,113</u>

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 shares, by cancelling the 1,598,845 un-paid ordinary shares with a par value of Baht 1 each. The decrease in share capital was registered with the Ministry of Commerce on 24 April 2019.

34 Warrants

A subsidiary issued and offered grants of warrants to employees ("ESOP"), 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#2	24 April 2015	13.00	1:1.00	1.84	30 June 2017	23 April 2020



### 34 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 2019	1.84	5,329,180
Forfeited by the subsidiary	-	(1,039,840)
As at 31 December 2019	1.84	4,289,340
As at 1 January 2020	1.84	4,289,340
Expired right of share purchase	-	(4,289,340)
As at 31 December 2020	-	-

During 2020, there was no option exercised and there were expired right of 4,289,340 units (2019: no option exercised and there were 1,039,840 forfeited units).

### 35 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.

### 36 Non-controlling interests

	Unit: Baht	
	Consolidated financial statements	
	2020	(Restated) 2019
Opening balance - Restated	146,354,689	120,428,259
Addition of investment in subsidiary	6,000,000	12,000,000
Disposal of investment in subsidiary	1,799,661	(155,101)
Share of profit(loss) from subsidiaries	(12,713,522)	27,035,064
Share of comprehensive profit(loss) from subsidiaries	2,211,630	(12,953,533)
Closing balance (2019: Restated)	143,652,458	146,354,689



### 37 Contract liabilities

The Group has recognised the following liabilities related to rental and service contracts with customers:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Contract liabilities				
- Current	632,628,408	545,327,921	475,066,444	435,376,465
- Non-current	15,854,692	20,667,803	-	-
	648,483,100	565,995,724	475,066,444	435,376,465

During 2020, revenue recognised in the current reporting period relates to carried-forward contract liabilities are Baht 545.33 million and Baht 435.38 million in the consolidated and separate income statements, respectively.

During 2019, revenue recognised in the current reporting period relates to carried-forward contract liabilities are Baht 392.92 million and Baht 338.72 million in the consolidated and separate income statements, respectively.

Contract liabilities included cash advanced from customers amounting to Baht 14.46 million (2019: Baht 37.37 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.

### 38 Other operating income

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	(Restated) 2019	2020	(Restated) 2019
Gain on disposals of investment in subsidiary	-	3,526	-	-
Gain on disposals of investments in associate	-	11,577,410	-	11,577,410
Management fee income	33,218,829	41,744,450	54,460,188	61,189,950
Interest income	14,884,156	7,583,832	25,491,303	31,007,191
Loss on exchange rate	(2,723,497)	(4,399,723)	(117,241)	(1,122,686)
Income from property tax	3,417,185	19,654,058	219,873	1,500,288
Insurance claims	1,282,409	413,755	559,283	413,755
Others	121,127,160	56,366,797	79,419,658	36,490,403
	171,206,242	132,944,105	160,033,064	141,056,311

39 Expenses by nature

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	(Restated) 2019	2020	(Restated) 2019
Depreciation of property and equipment (Note 21)	901,732,084	983,811,906	592,311,330	649,556,589
Amortisation of intangible assets				
- Film rights (Note 24)	128,328,006	247,328,252	-	-
- Computer software (Note 24)	27,948,773	23,835,095	25,070,432	20,045,211
Amortisation of prepaid rents	7,125,600	3,083,858	1,875,600	1,875,600
Amortisation of right of use asset (Note 22)	327,132,541	320,965,983	244,546,778	243,752,124
Impairment of investment in subsidiaries, associates and joint ventures (Notes 17, 18 and 19)	15,313,250	15,647,623	81,911,426	4,575,695
Impairment of goodwill (Note 23)	75,140,624	55,000,000	-	-
Impairment of assets (Notes 21 and 24)	41,284,126	66,364,359	-	-
Loss from from adjustment fair value of investment property	6,911,695	77,864,951	-	-
Repairs and maintenance expenditure	160,217,695	200,225,264	105,370,347	143,883,782
Staff costs	726,306,289	1,265,600,849	464,350,884	821,263,396
Loss on write-off of investment property, equipment and intangible assets	6,694,701	12,799,210	2,544,813	7,498,678
Expected credit loss	70,140,609	-	14,749,886	-
Loss on write-off of other assets	22,259,429	32,879,037	12,782,666	18,172,499
Loss on impairment in films under production	33,410,822	10,000,000	-	-
Provision for litigation	159,350,000	-	159,350,000	-
Loss on diminution in value of inventories (Note 15)	8,982,916	3,409,242	1,300,000	491,363
Reversal of provision for sales returns inventory	(150,000)	(1,795,057)	-	-
- Cost of inventories recognised as expense (included in "Cost of sales")	291,471,938	679,778,465	212,834,763	528,319,061

40 Finance costs

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	(Restated) 2019	2020	(Restated) 2019
Bank borrowings	82,942,950	55,447,261	81,482,397	53,001,738
Borrowings from subsidiaries and associates (Note 44)	288,000	312,312	42,811,212	51,358,567
Lease liabilities	50,724,835	138,112,737	28,429,066	101,481,894
Debentures	40,560,822	40,450,000	40,560,822	40,450,000
Others	118,786	50,540	-	-
	174,635,193	234,372,850	193,283,497	246,292,199

41 Income tax

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	(Restated) 2019	2020	(Restated) 2019
Current tax:				
Current tax	24,763,795	289,174,578	-	109,212,969
Adjustments in respect of prior year	(12,430,013)	(95,180)	-	-
<b>Total current tax</b>	<b>12,333,782</b>	<b>289,079,398</b>	<b>-</b>	<b>109,212,969</b>
Deferred tax:				
Origination and reversal of temporary differences (Note 25)	(104,834,936)	65,899,958	(71,750,063)	100,643,111
	(92,501,154)	354,979,356	(71,750,063)	209,856,080

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	
	2020	(Restated) 2019	2020	(Restated) 2019
Profit(loss) before tax	(632,707,284)	1,788,947,428	(573,998,998)	1,598,820,449
Tax calculated at a tax rate of 20% (2019: 20% and 15%)	(126,541,457)	357,789,485	(114,799,799)	319,764,090
Adjusted:				
Associate and joint ventures results reported net of tax	(14,044,846)	(57,820,266)	2,482,824	26,683,230
Income not subject to tax	(3,417)	-	-	(144,942,331)
Expenses not deductible for tax purpose	6,994,708	58,798,891	40,090,721	30,066,327
Expense that are deductible at a greater amount from actual expenses	(25,379,494)	(26,139,770)	(20,957,893)	(21,715,236)
Utilisation of previously unrecognised tax losses	(6,454,504)	(4,286,923)	-	-
Tax losses for which no deferred income tax asset was recognised	64,214,746	27,430,304	-	-
Unrealised loss(gain) from intercompany transaction	20,835,007	(349,830)	21,434,084	-
Difference in overseas tax rate	-	(137,955)	-	-
Effect from exchange rate	307,916	(209,400)	-	-
Adjustment in respect of prior year	(12,430,013)	(95,180)	-	-
<b>Tax charge</b>	<b>(92,501,154)</b>	<b>354,979,356</b>	<b>(71,750,063)</b>	<b>209,856,080</b>

## **42 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 basic earnings per share are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		<b>(Restated)</b>		<b>(Restated)</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Profit(loss) for the year attributable to owners of the parent (Baht)	(527,492,608)	1,406,933,008	(502,248,933)	1,388,964,369
Weighted average number of shares (share)	894,667,502	894,667,502	894,667,502	894,667,502
Basic earnings (loss) per share (Baht)	(0.59)	1.57	(0.56)	1.55

## **43 Dividends**

### **2020**

At the Board of Directors Meeting held on 9 April 2020, the Board passed a resolution to approve interim dividends payment in respect of the operation results for the period from July to December 2019 at Baht 0.35 per share, totaling Baht 313.13 million. The dividends were for all shareholders listed in the register on 15 April 2020 and were distributed to the shareholders on 30 April 2020.

### **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 were for all 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 were for all shareholders listed in the register on 26 August 2019 and were distributed to the shareholders on 4 September 2019.

## **44 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.

#### 44 Related-party transactions (Cont'd)

Pricing policies for related party transactions are as follows:

	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 4.00% per annum
Management fees	Agreed prices as stipulated in the agreements

The following transactions were carried out with related parties:

##### i) Sales of goods and services and others

	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Sales of goods and services</b>				
Subsidiaries	-	-	281,798	361,009
Associates	3,948	57,238	-	240
Leasehold property fund	48,883	60,434	32,845	36,893
Joint ventures	2,796	15,243	-	-
Joint operation	3,103	3,052	-	-
Related parties	59,104	97,335	17,088	34,107
	<u>117,834</u>	<u>233,302</u>	<u>331,731</u>	<u>432,249</u>

##### ii) Purchase of goods and services and others

	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
	2020	(Restated) 2019	2020	(Restated) 2019
<b>Purchases of goods and services</b>				
Subsidiaries	-	-	149,550	216,358
Associates	17,754	58,606	10,142	22,408
Leasehold property fund	187,370	149,607	140,843	105,316
Joint ventures	6,386	7,854	-	-
Joint operation	52,519	7,413	-	-
Related parties	98,224	142,434	147,795	164,856
	<u>362,253</u>	<u>363,914</u>	<u>448,330</u>	<u>508,938</u>



44 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	
	2020	2019	2020	2019
<b>Trade accounts receivable (include unbilled revenue)</b>				
Subsidiaries	-	-	79,524	143,733
Associates	13,229	20,219	4,786	4,501
Leasehold property fund	10,810	1,582	9,142	32
Joint ventures	6,962	7,877	-	-
Joint operation	2,943	2,150	-	-
Related parties	8,115	36,369	1,991	17,061
	<u>42,059</u>	<u>68,197</u>	<u>95,443</u>	<u>165,327</u>
<b>Amounts due from related parties</b>				
Subsidiaries	-	-	196,812	176,848
Associates	5,469	9,167	-	1,267
Leasehold property fund	3,415	7,548	3,415	7,548
Joint ventures	109	407	-	-
Joint operation	-	11	-	-
Related parties	5,368	11,834	4,325	10,516
Less: Loss allowance from TFRS 9 (2019: TAS 101)	-	-	(34,000)	-
	<u>14,361</u>	<u>28,967</u>	<u>170,552</u>	<u>196,179</u>
<b>Deposit (included in "Other non-current assets")</b>				
Associates	389	2,221	389	389
Leasehold property fund	3,324	3,460	3,324	3,460
Related parties	<u>14,671</u>	<u>26,129</u>	<u>14,528</u>	<u>25,829</u>
	<u>18,384</u>	<u>31,810</u>	<u>18,241</u>	<u>29,678</u>



44 Related-party transactions (Cont'd)

iii) Outstanding balances arising from sales/purchases of goods/services and others (Cont'd)

	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Trade accounts payable</b> (included in "Trade and other payables")				
Subsidiaries	-	-	75,513	85,799
Associates	16,536	3,809	1	1
Leasehold property fund	137,852	-	99,791	-
Joint ventures	8,721	19,408	-	-
Joint operation	11,238	1,841	-	-
Related parties	8,405	864	29,539	7,051
	182,752	25,922	204,844	92,851
<b>Other payables</b> (included in "Amounts due to related parties")				
Subsidiaries	-	-	14,039	65,433
Associates	4,350	76,804	4,144	59,190
Leasehold property fund	1,507	447	1,311	27
Joint ventures	-	355	-	-
Joint operation	-	50	-	-
Related parties	17,763	19,564	10,033	11,441
Board	1,492	5,033	1,172	3,931
	25,112	102,253	30,699	140,022
<b>Advance received for rental and services</b> (included in "Other non-current liabilities")				
Leasehold property fund	20,771	21,819	-	-
Related parties	5,007	6,517	-	-
	25,778	28,336	-	-
<b>Deposits received</b> (included in "Other non-current liabilities")				
Subsidiaries	-	-	-	1,403
Leasehold property fund	123,503	123,503	-	-
Related parties	5,531	5,531	-	-
	129,034	129,034	-	1,403
<b>Finance lease liabilities</b>				
Associates	11,906	9,183	8,493	9,183
Leasehold property fund	110,761	143,292	102,979	143,292
Related parties	397,502	407,159	306,036	314,962
	520,169	559,634	417,508	467,437

44 Related-party transactions (Cont'd)

iv) Short-term loans to related parties

The changes in short-term loans to related parties are as follows:

For the years ended 31 December	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Subsidiaries</b>				
Opening balance	463	1,304	239,714	289,277
Loans provided during the year	6,276	963	167,518	418,287
Loans repayments during the year	(4,025)	(1,804)	(193,749)	(467,850)
Loans written off during the year	(463)	-	(463)	-
Closing balance	2,251	463	213,020	239,714

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 (2019: 4.00% per annum).

The related interest income was Baht 9.11 million (2019: Baht 10.37 million). As at 31 December 2020, the accrued interest income was Baht 0.69 million (2019: Baht 0.79 million).

The Group has not recorded expected credit loss as the impact is not significant.

v) Long-term loans to related parties

The changes in long-term loans to related parties are as follows:

For the years ended 31 December	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Subsidiaries and associates and employees</b>				
Opening balance	3,202	1,802	227,985	271,585
Impacts from the adoption of the new standard (TFRS 9)	-	-	(64,000)	-
Opening balance - restated	3,202	1,802	163,985	271,585
Loans provided during the year	-	1,900	-	1,900
Loans repayments during the year	-	(500)	(29,500)	(45,500)
Loans written off during the year	(1,302)	-	(1,085)	-
Reversal of allowance for expected credit loss	-	-	27,000	-
Closing balance	1,900	3,202	160,400	227,985

The loans to related parties are carrying interest at the rate of 2.00% per annum (2019: 2.00% to 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 1.90 million and Baht 1.90 million (2019: Baht 3.20 million and Baht 2.98 million), respectively, bearing no interest (2019: nil).

The related interest income was Baht 3.37 million (2019: Baht 8.68 million). As at 31 December 2020, the accrued interest income was Baht 108.14 million (2019: Baht 108.15 million).

44 Related-party transactions (Cont'd)

v) Long-term loans to related parties (Cont'd)

The reconciliations of loss allowance for long-term loans to related parties for the year ended 31 December are as follows:

	Unit: Baht'000
	Separate financial statements
	2020
As of 1 January - calculated under TAS 101	-
Impacts from the adoption of the new standard (TFRS 9) (Note 6)	(64,000)
Opening loss allowance as at 1 January 2020 - calculated under TFRS 9	(64,000)
Expected credit loss - reversal	27,000
As of 31 December - calculated under TFRS 9	(37,000)

vi) Short-term loans from related parties

	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
For the years ended 31 December	2020	2019	2020	2019
Subsidiaries and associates				
Opening balance	12,800	14,500	967,425	1,411,026
Loans borrowed during the year	-	-	1,431,188	3,105,688
Loans repayments during the year	-	(1,700)	(1,408,499)	(3,549,289)
Closing balance	12,800	12,800	990,114	967,425

The short-term loans from related parties are loans from subsidiaries. As at 31 December 2020, the unsecured loans of Baht 977.31 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 in the consolidated and separate financial statements was Baht 0.29 million and Baht 42.81 million, respectively (2019: Baht 0.31 million and Baht 51.36 million). As at 31 December 2020, the accrued interest expense in the consolidated and separate financial statements was Baht 0.39 million and Baht 3.61 million, respectively (2019: Baht 0.10 million and Baht 4.06 million).

vii) Key management compensation

	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
For the years ended 31 December	2020	2019	2020	2019
Short-term employee benefits	22,262	61,387	16,936	44,990
Retirement benefits	728	871	552	703
	22,990	62,258	17,488	45,693

viii) Investments in subsidiaries, associates and joint ventures

Details of investments in subsidiaries, associates and joint ventures are set out in Notes 17, 18 and 19, respectively.

#### 45 Commitments and contingencies

##### i) Bank guarantees and letter of credits

As at 31 December 2020, the Group has outstanding bank guarantees and letters of credit amounting to Baht 242.97 million given to third parties. (31 December 2019: Baht 230.52 million).

##### ii) Guarantees

As at 31 December 2020, the Company and a subsidiary have provided guarantees for bank loans granted to subsidiaries and associates for a total of Baht 35.00 million (31 December 2019: Baht 22.00 million).

##### iii) Service contract commitments

The Company and its subsidiaries have commitment obligations in terms of service contracts. The future aggregate non-cancellable minimum service payments under the contracts are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2020	(Restated) 2019	2020	(Restated) 2019
Not later than 1 year	717	702	425	422
Later than 1 year but not later than 5 years	2,180	2,409	1,436	1,516
Later than 5 years	3,882	4,370	3,015	3,360
	6,779	7,481	4,876	5,298

In addition to the minimum service payments, the Group also has obligations in respect of service contracts based on revenue sharing with the service providers.

##### 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:

	Currency	Unit: Baht'000			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Property, plant and equipment	THB	54,145	57,446	54,145	57,446
	USD	845	296	-	-
Total in Thai Baht		79,669	66,435	54,145	57,446

##### v) Commitment for film productions

As at 31 December 2020, the Group has commitments in respect of payments to film directors amounting to Baht 35.23 million (2019: Baht 90.85 million).

**46 Litigation**

In 2017, the insurance company of damaged parties from the fire accident at Major Cineplex Pinklao 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 413.00 million, representing the claim and interest thereon.

On 15 July 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 365.00 million, with the interest thereon. As of 31 December 2020, the case is still pending as the Company has requested for permission to lodge an appeal to Supreme court. The Company believes that there will be no material loss arising from the lawsuits. However, certain provision has been provided for.

**47 Events after the reporting date**

- a) On 19 January 2021, Digital Projector Management Co., Ltd. (subsidiary) had registered to change the company name to "Major Join Film Co., Ltd." and add the investment in film business to its business objectives. The Board of Directors Meeting held on 11 February 2021, passed a resolution to approve an increase in the registered capital from Baht 5 million (50,000 shares at the par value of Baht 100 each) to Baht 100 million (1,000,000 shares at the par value of Baht 100 each) by issuing additional 950,000 ordinary shares at the par value of Baht 100 each.
- b) On 4 February 2021, the Company issued a straight, unsecured and unsubordinated Baht bonds (Straight Bond) of 500,000 units at face value of Baht 1,000 per unit, totaling Baht 500 million. The straight bond has a term of one-year and maturity date is on 4 February 2022 with a fixed interest rate of 2.55% per annum. Interest is due for payment every six-month period. The Company must maintain the debt to equity ratio at the ratio stipulated in the prospectus.



