



ANNUAL REPORT 2019

CONTENT

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS	1	CORPORATE MANAGEMENT STRUCTURE	23
THE BOARD OF DIRECTORS	2	REMUNERATION OF THE BOARD OF DIRECTORS, EXECUTIVES AND STAFFS	29
ORGANIZATION CHART	5	AUDIT FEE	30
SHAREHOLDING STRUCTURE	6	MAJOR SHAREHOLDERS	31
GENERAL INFORMATION OF THE COMPANY	7	CONNECTED TRANSACTIONS	32
COMPANY MILESTONE	10	OPERATION HIGHLIGHT	38
NATURE OF BUSINESS	11	MANAGEMENT DISCUSSION & ANALYSIS	39
RISK FACTORS	14	AUDIT COMMITTEE'S REPORT	42
CORPORATE GOVERNANCE	17	RESPONSIBILITY STATEMENT OF THE BOARD TO FINANCIAL STATEMENT	43
INTERNAL CONTROL	21	ANNEX: 2019 FINANCIAL STATEMENT	

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear shareholders,

In the year 2019, M Pictures Group has orientated its business policies and strategies aiming to become the forerunner of the film business. The company has tackle its way of managing film rights via multiple channels especially VOD Platform, cable TV, digital TV and local film productions to serve the constantly developing consumer behavior. This year, the major revenue was from film production and films right distribution unit which are the core business. Moreover, film production unit, the Company focused on finding "Strategic Partner" who has potential to support all dimensions of the film to invest in Thai film production. Furthermore, the Company has also managed to reduce the cost to effectuate the operations, numbers of screens are also being increased in up-country areas. All of which mentioned leads to possible advancement of incomes mainly generated by the production of local titles that are favored by the majority of up- country viewers.

On this occasion, I, on behalf of the Board of Directors, would like to express our highest appreciation to shareholders, investors, clients, business partners and associates for any kind supports. In addition, I would like to thank all the executives and also the employees for their hard work, dedication, and responsibility on various important assignments which firmly and increasingly strengthen the company as well as subsequently lead the organization to the goal-oriented achievement. I believe that the company still has prosperous potentials to grow further and I wish for your unfaltering support and cooperation.

Sincerely Yours,



Mr Tirachai Vutithum
Chairman of the Board of Directors

THE BOARD OF DIRECTORS



Mr. Tirachai Vuttithum Age: 69 years

Independent Director and Chairman of the Board of Director

Education : - Ramkumhaeng University, Doctor of Philosophy Honorary Degree in Continuing Education

- Diploma, National Defence College, The National Defence Course Class.34

- American Coast University, Bachelor Degree in Psychology

- Ramkumhaeng University, Bachelor Degree in Business Administration

Current Position:

- Independent Director and Chairman of the Board of Director, M Pictures Entertainment Plc.

Experience:

- Chairman of the Board, the Government Pharmaceutical Organization
- Director, Thai Airways Public Company Limited.
- Vice President, Soccer Association of Thailand Patron: His Majesty the King



Mr. Vicha Poolvaraluk Age: 56 years

Director and Vice Chairman of the Board of Director

Education : - United State International University of San Diego, U.S.A, Master Degree of Business Administration

- Chulalongkorn University, Bachelor Degree of Business Administration

Current Positions:

- Director and Vice Chairman of the Board of Director, M Pictures Entertainment Plc.
- Director and Chief Executive Officer, Major Cineplex Group Plc.
- Director, Siam Future Development Plc.
- Chairman, Major Care Foundation



Mr. Thanakorn Puriwekin Age: 63 years

Director and Chief Executive Officer

Education: - United State International University of San Diego, U.S.A, Master Degree of Business Administration

- Bangkok University, Bachelor Degree of Business Administration

Current Positions:

- Director and Chief Executive Officer, M Pictures Entertainment Plc.
- Director, Major Cineplex Group Plc.
- Director, EGV Entertainment Plc.
- Director, Transformation Films Co.,Ltd.
- Director, M Talent Co.,Ltd.
- Director, Tai Major Co.,Ltd.



Mr. Thanachai Santichaikul Age: 65 years

Independent Director , Risk Committee and Chairman of Audit Committee

Education: - Thammasat University, Master Degree of Business Administration

- Chulalongkorn University, Bachelor degree of Accountancy

- Chulalongkorn University, Faculty of Commerce and Accountancy, Certificate of Accounting Auditing

Current Positions:

- Audit Committee, Nation Multimedia Group Plc.
- Director, Executive Director and Managing Director, Salee Printing Plc.
- Independent Director , Risk Committee and Chairman of Audit Committee, M Pictures Entertainment Plc.
- Independent Director and Audit Committee, Eastern Polymer Group Plc.
- Chairman, Siam Syndicate Technology Plc.
- Chairman, AIM REIT Management Co.,Ltd.



Mr. Attapon Chodchoy Age: 63 years

Independent Director , Risk Committee and Audit Committee

Education: Chulalongkorn University, Bachelor degree of Accountancy

Current Positions:

- Independent Director and Chairman of Audit Committee, Veranda Resort Plc.
- Independent Director, Risk Committee and Audit Committee, M Pictures Entertainment Plc.
- Independent Director Audit Committee, MK Restaurant Group Plc.
- Finance Advisor, Unique Plastic Industry Co., Ltd.



Mr. Vachara Tuntariyanond Age: 61 years

Independent Director , Chairman of Risk Committee and Audit Committee

Education: Master of Science in Management Administration, Northrop University, California, USA.

Current Positions:

- Independent Director Audit Committee, Asset World Corp Plc.
- Director, Thai Airways Plc.
- Financial Expert, Office of Insurance Commission (OIC)
- Independent Director, Audit Committee and Chairman of Risk Committee M Pictures Entertainment Plc.
- Director and Chairman of Board of Director, Krungthai Asset Management Plc.
- Director and Chairman of Board of Director, Eastern Polymer Group Plc.



Ms. Thitapat Issarapornpat Age: 51 years

Director , Risk Committee and Acting on behalf of Company Secretary

Education: - Chulalongkorn University, Master of Business Administration

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

Current Positions:

- Director and Risk Committee , M Pictures Entertainment Plc.
- Chief Finance Officer, Risk Committee , Compliance Committee and Company Secretary, Major Cineplex Group Plc.
- Director, Siam Future Development Plc.
- Director, Mtel (Thailand) Co.,Ltd.
- Director, Major Kantana Broadcasting Co.,Ltd
- Director, EGV Entertainment Plc.
- Director, ThaiTicketMajor Co., Ltd.
- Director, Tai Major Co.,Ltd.
- Director, CJ Major Entertainment Co.,Ltd.



Mr. Apichart Kongchai Age: 54 years

Director

Education: - New Haven University CT, U.S.A., MBA, Concentration Hotel & Restaurant Management

- Chiangmai University, Bachelor of Science Sociology and Anthropology

Current Positions:

- Director, M Pictures Entertainment Plc.
- Chief Cinema Officer, Major Cineplex Group Plc.



Mr. Apirak Varachanonth Age: 46 years

Director and Risk Committee

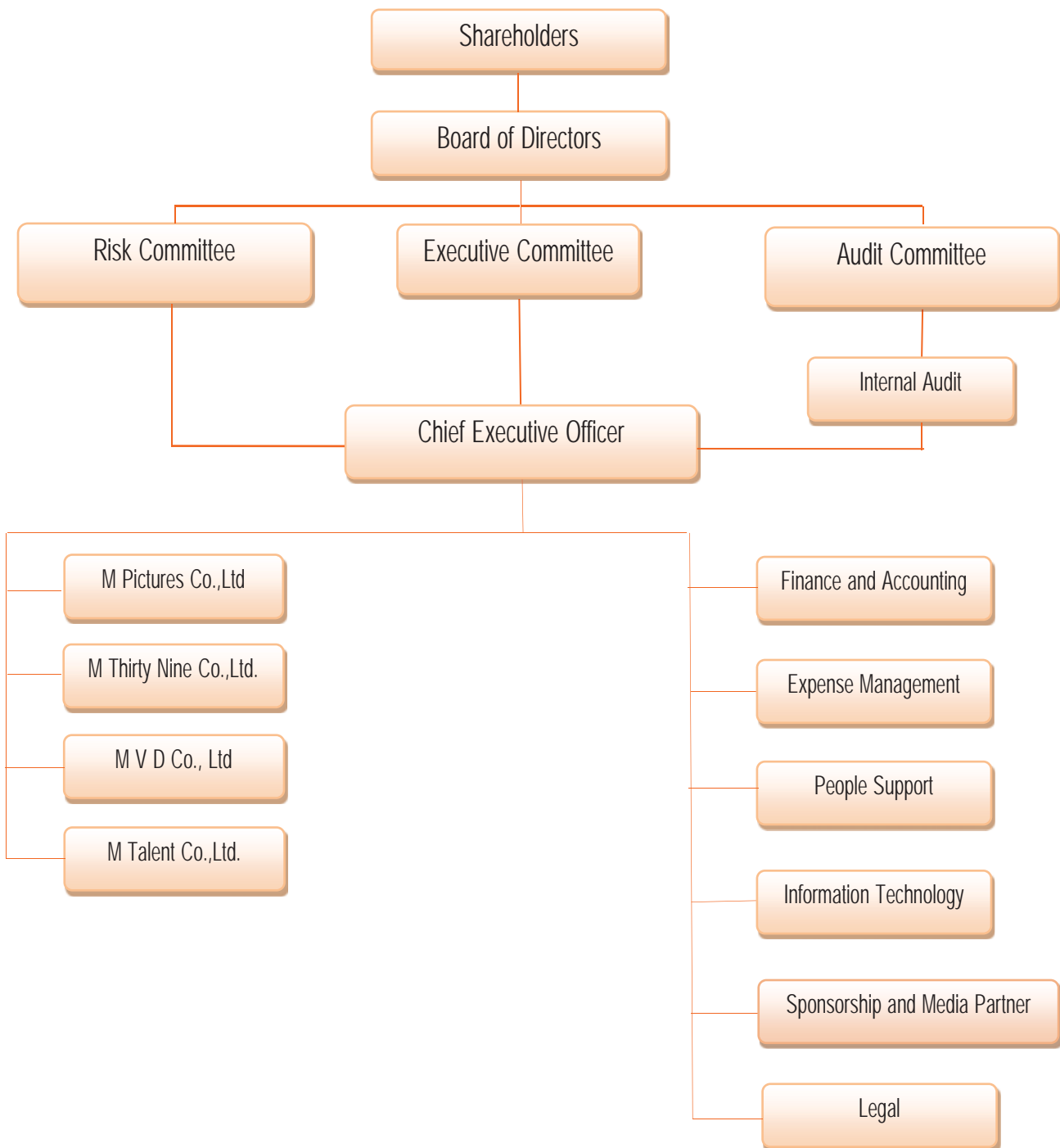
Education: - Mahidol University, Master of Arts (Population and Social Research)

- University of the Thai Chamber of Commerce, Bachelor of Business Administration
(Human Resource Management)

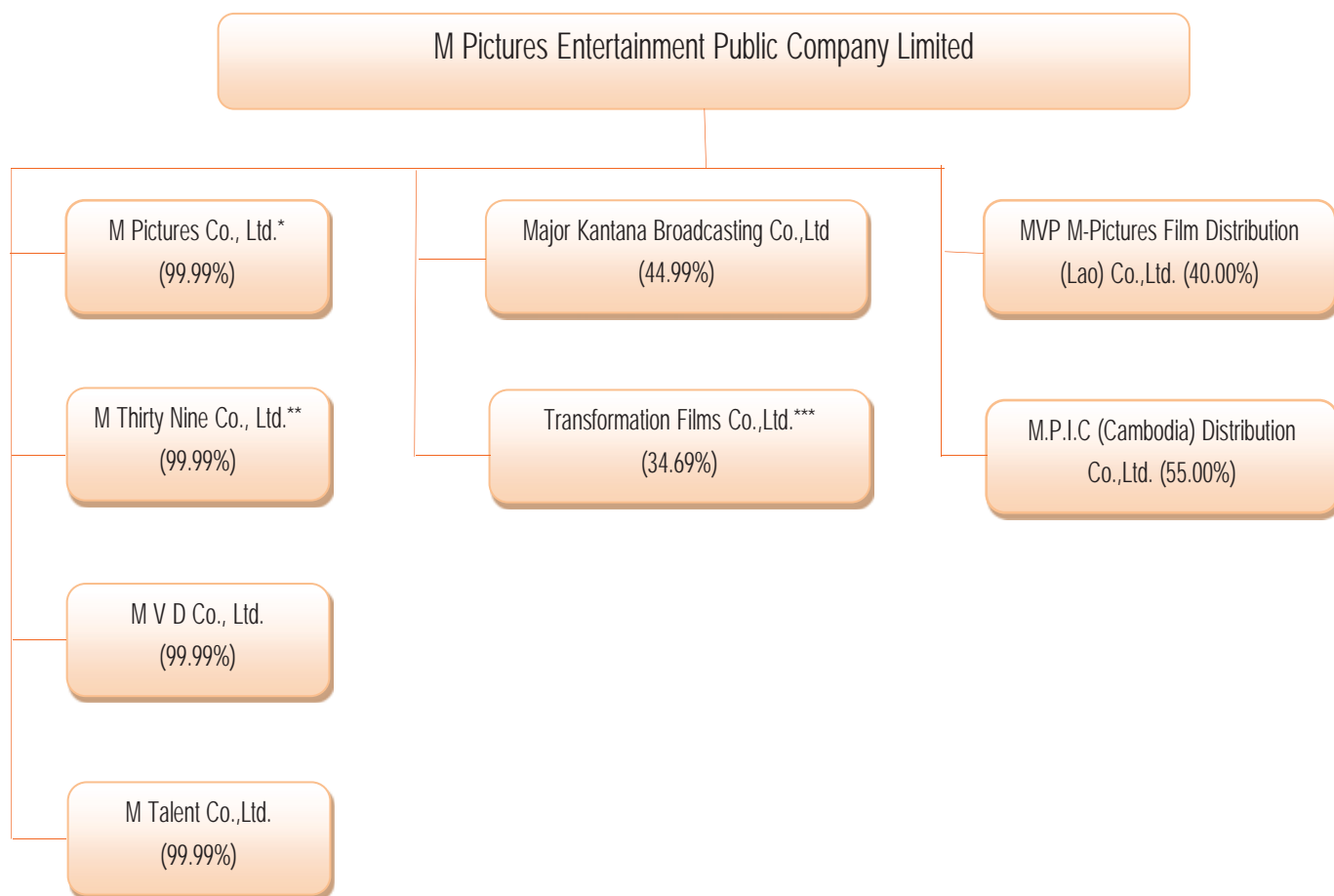
Current Positions:

- Director and Risk Committee, M Pictures Entertainment Plc.
- Chief Human Resources Officer, Major Cineplex Group Plc.
- Executive Director, Marketing Association of Thailand

ORGANIZATION CHART



SHAREHOLDING STRUCTURE



* Investment in Joint Venture under M Pictures Co. Ltd.

- Joint Venture Sangkrasue (30%)
- Joint Venture Khun Phaen Fah Feun (51%)
- Joint Venture That March (14%)
- Joint Venture Our Love Forever (14%)
- Joint Venture Classic Again (39%)
- Joint Venture Keun Yuttitham (70%)
- Joint Venture Hug Terd Tueng (55 %)

** Investment in Joint Venture under M Thirty Nine Co. Ltd.

- Joint Venture Bikeman (70%)
- Joint Venture Bikeman 2 (55%)
- Joint Venture Gang Tann Zing and Laan 25 Naa 24 (70%)
- Joint Venture Sam Gler Hua Kaeng and Juad Kathoei bung Fai (70%)

*** Investment in Joint Venture under Transformation Films Co. Ltd.

- Joint Venture Sangkrasue (40%)
- Joint Venture Atchariya Tong Sang (35%)

GENERAL INFORMATION OF THE COMPANY

Subsidiaries, Associates and Joint Ventures

1. M Pictures Entertainment Plc.

Type of business	:	Invests in subsidiaries in entertainment media business and also invests in through subsidiaries.
Company Registration No.	:	0107544000124
Address	:	234 Suzuki Avenue Building (Rachayothin) 13th Floor, Ratchayothin Road, Ladyao, Jatuchak, Bangkok 10900
Website	:	www.mpictures.co.th/mpic/investors
Telephone	:	02-5120300
Fax	:	02-5120301, 02-5120302
Number/Type of Shares	:	Ordinary share 1,313,117,176 shares / Paid-up share 1,300,119,176 shares

2. M Pictures Co.,Ltd.

Type of business	:	Provides and distributes film copyrights which engaged in film business by being the importer copyrights of International films especially from the important international film festivals, Asian independent film studios including Thai films and produces Thai films for service to Cinemas and license to home entertainment media manufacture.
Address	:	234 Suzuki Avenue Building (Rachayothin) 13th Floor, Ratchayothin Road, Ladyao, Jatuchak, Bangkok 10900
Website	:	www.mpictures.co.th
Telephone	:	02-5120300
Fax	:	02-5120301, 02-5120302
Number/Type of Shares	:	Ordinary Share 1,500,000 Shares

3. M V D Co.,Ltd.

Type of business	:	Provide film copyrights both international and Thai films to home entertainment media manufacture.
Address	:	234 Suzuki Avenue Building (Rachayothin) 13th Floor, Ratchayothin Road, Ladyao, Jatuchak, Bangkok 10900
Website	:	www.mvd.co.th
Telephone	:	02-5120300
Fax	:	02-5120301, 02-5120302
Number/Type of Shares	:	Ordinary Share 52,250,000 Shares

4. M Thirty Nine Co.,Ltd.

Type of business : Thai film production studio
Address : 1839, Phahonyothin Road, Ladyao, Jatuchak, Bangkok 10900
Website : www.m-thirtynine.com
Telephone : 02-5120300
Fax : 02-5120301, 02-5120302
Number/Type of Shares : Ordinary Share 1,000,000 Shares

5. M Talent Co.,Ltd.

Type of business : Thai film production studio
Address : 234 Suzuki Avenue Building (Rachayothin) 13th Floor, Ratchayothin Road, Ladyao, Jatuchak, Bangkok 10900
Telephone : 02-5120300
Fax : 02-5120301, 02-5120302
Number/Type of Shares : Ordinary Share 400,000 Shares

6. Major Kantana Broadcasting Co.,Ltd.

Type of business : Operating cable Television business.
Address : 32 Wachiratham Sathit 49, Bang Chak, Phra Khanong, Bangkok, 10260
Telephone : 02-0505436
Fax : -
Number/Type of Shares : Ordinary Share 6,000,000 Shares

7. Transformation Films Co.,Ltd.

Type of business : Thai film studio
Address : 6, Soi Nak Niwat 12, Nak Niwat Road, Lat Phrao , Lat Phrao, Bangkok 10230
Telephone : 02-9325600
Fax : 02-9325600
Number/Type of Shares : Ordinary Share 2,450,000 Shares

8. MVP M-Pictures Films Distribution (Lao) Co.,Ltd.

Type of business : Films distribution company in Lao
Address : 4th Floor, Vientiane Centre Shopping Mall ,No 13,Kouvieng Road, Nongchan Village, Sisatannak District, Vientiane Capital, Lao People's Democratic Republic
Telephone : 856-21-520451
Fax : 856-21-222262
Number/Type of Shares : Ordinary Share 200,000 Shares

9. M.P.I.C (Cambodia) Distribution Co.,Ltd.

Type of business : Films distribution company in Cambodia
Address : 308, 2nd Floor, Preah Monivong Boulevard, Sangkat Chaktomukh, Khan Daun Penh, Phnom Penh, Cambodia.
Telephone : -
Fax : -
Number/Type of Shares : Ordinary Share 200,000 Shares

COMPANY MILESTONE

M Pictures Entertainment Plc. (Previous name: Traffic Corner Holdings Public Company Limited) (“the Company”) was established on November 5, 2001 with an initial registered capital of THB 15 million. The objective of the Company is to invest in mass media companies, especially marketing management of sports events and news programs on radio and television. Afterward, the Company have merged with M Pictures Co.,Ltd. in order to extend the business to film entertainment business by providing Cinemas, DVD-VCD-Blu-Ray manufacturers, Free TV, Cable TV, Pay TV, and Digital Pay TV, film copyrights. Moreover, the company has invested in Thai film production through the Company's subsidiaries since 2011. As of December 31, 2019, there is THB 656,558,588 of registered capital and THB 650,059,588 paid-up capital

Present, The Company invests in the business relating to entertainment media through cinemas, television, film production and home entertainment through subsidiaries as follows

2008	M Pictures Co.,Ltd. which engaged in film business by being the importer of copyrights of International films especially from various sources such as important international film festivals, Asian independent film studios for feeding Cinemas.
2009	M V D Co.,Ltd. (previous name: Pacific Marketing and Entertainment group Co.,Ltd.) which engages in film business by providing Thai and international film copyrights to manufacture home entertainment media. Resulted from investing in MVD, the Company becomes a major shareholders and parent company of M Thirty Nine Co., Ltd. (M39) and Pacific Media Sales Co.,Ltd. which was MVD's subsidiaries.
2010	the Company has restructured and invested in M Thirty Nine Co.,Ltd. (M39) which engages in the business of
2013	The Company has invested additionally in 2 companies; Talent One Co.,Ltd. (Present name; M Talent Co.,Ltd.) (Thai films production studio and book publisher) and Major Kantana Broadcasting Co.,Ltd (Cable
2014	The Company joint invested in Thai film studio, Transformation Films Co.,Ltd., with True Icontent Co.,Ltd., Matching Studio Plus Co.,Ltd and Bangkok Film Studio Co.,Ltd.
2015	The Company joint invested with MVP Entertainment Pte. (Singapore) established MVP M-PICTURES Film
2018	The Company joint invested with MVP Entertainment Pte. (Singapore) and Sabay Digital Corp Ltd. established M.P.I.C (Cambodia) Distribution Co., Ltd. aims to distribute films' rights in Cambodia.
2019	The Company has remodeled the film production unit to find potential investors and strategic partners to invest in Thai Films and restructure the Company's financial status by decreasing the registered capital and paid-up

NATURE OF BUSINESS

M Pictures Entertainment Plc. invested in companies engaged in the movie media business, provides and acquires Thai and International films copyrights for cinema, provides rights to Free TV, Cable TV, Pay TV, Video on Demand and other digital media. In addition, the Company has invested in Thai Film Production and Home entertainment business which generated the most revenue for the Group.

No.	Company	Nature of Business	Channel
1.	M Pictures Entertainment Plc.	Engage business of providing and buying Asian & International film copyrights and invests in home entertainment media business and Thai films Production.	Through subsidiaries
2.	M Pictures Co.,Ltd.	Acquire and buy Asian and International films copyrights from well-known studio and produces Thai films as production studio.	Theatrical and non-theatrical Channel.
3.	M Thirty Nine Co.,Ltd.	Thai Films Production studio	Theatrical and non-theatrical Channel
4.	M V D Co., Ltd.	Requisite and buy Thai and international film copyrights for home entertainment media.	Home entertainment media
5.	M Talent Co.,Ltd.	Thai film and Thai series production studio	Theatrical and non-theatrical Channel.
6.	Major Kantana Broadcasting Co.,Ltd.	Cable T.V. and Satellite T.V.	Via M Channel
7.	Transformation Films Co.,Ltd.	Thai Films Production studio	Theatrical and non-theatrical Channel
8.	MVP M-Pictures Film Distribution (Lao) Co.,Ltd.	Films' distribution company in Lao PDR	Theatrical and non-theatrical Channel
9.	M.P.I.C (Cambodia) Distribution Co.,Ltd.	Films' distribution company in Cambodia	Theatrical and non-theatrical Channel

Marketing Strategies

- *Strategy on movie quality*

The Group is looking to acquire copyrights of international and Thai films, as well as production and distribution of movies on Free TV, Pay TV, and Digital Media such as Video on demand, with a focus on a vast variety of quality movies. The Company will acquire movies from widely accepted sources such as international film festivals worldwide, movie studio that could win popularity in Asian Region, independent producers of groundbreaking films, as well as movie studio in Thailand. In the Thai film production, the Company gives priority to viewers' preference, gender and age, including their income, while trying to promote the production of quality Thai films to gain popularity among viewers.

- *Strategy on intra-group support services*

The Group is currently an operator of a full-fledged movie business, ranging from providing of Thai and international movie rights, Thai film production of movies on VCD, DVD and Blue Ray discs. Its copyright films could be distributed and/or released extensively via different channels due to a strong relationship of the Company with Major Cineplex Group Plc., its parent company and Thailand's leading cinema operator with a network of movie theaters in all parts of the

country. Moreover, the Company always finds new business partnership. This somewhat fully integrated business partnership gives the Company an edge over other players operating a similar type of business.

- *Strategy on consumers' preference*

Since consumers have become more selective about the type of movies they prefer watching, the Company needs to adjust itself to address the said changing consumer behavior. Realizing that moviegoers' personal taste is a crucial factor that could affect its performance, the Company must find movies that match the taste of all consumer segments and age groups and must also acquire films and produce Thai movies in alignment with the festive seasons in order to stimulate the movie consumption in Thailand.

Target Group;

- All kinds and ages of Customers.
- Cinema.
- Free TV, Cable TV, Pay TV, Pay Digital TV. IPTV, VOD
- International entertainment media entrepreneurs.

Competitive Potential

M Picture Entertainment PLC

The Group is operating a comprehensive range of movie business, consisting of a foreign film rights importing and distribution business and Thai film production business. It also is a subsidiary of Major Cineplex Group Plc., Thailand's leading cinema operator with theater locations all over the country. This strength enables the Company to grow strongly and in pace with other players and gives it an opportunity to efficiently manage group businesses and internal resources for an optimum benefit. With intra-group support services such as advertising media, theater network, etc., the Company is capable of better responding to consumers' demand, as well as continuously expanding its customer base, while the Group's movie media could increasingly draw consumer interest.

The Group has additionally developed and introduced the digital media, which could attract new consumer segments. In the past year, the Group focused on exploit films rights via digital platforms to match life style of consumers such as Netflix and HOOQ also distributes films' rights to international market such as Cambodia, Laos, Vietnam and Hong Kong and also in worldwide films' festival such as Cannes festival.

M Pictures Co.,Ltd

The past year the economic decelerated. However, M Pictures Co., Ltd., a Thai film production and a distributor Thai and foreign movie copyrights, has had a strong capital base. Besides, competition in this business is not tough because there are a small number of players and each of them have owned target. In view of these factors, together with the fact that the Company has several and definite marketing channels, there is no concern about competition with other peers.

MVD Co.,Ltd.

The past year, Home Entertainment business much decelerated which cause the revenue of the company could not hit the goal. The company has change position from manufacturing to licensing films' rights to our partners to manufacture and sell VCDs and DVDS for reducing risk of inventory and also reducing management fee.

M Thirty Nine Co.,Ltd. / M Talent Co.,Ltd. /

Transformation Films Co.,Ltd.

There are a growing number of Thai films productions with high competition. Moreover, the strength of its group members which engage in movie theater business and home entertainment business will also help to enhance the Company's competitive potential in this industry.

RISK FACTORS

- Risk Regarding Operation Results Depending on the Film Market Industry

The Company carries on the business of Thai films production and acquisition both Thai and foreign film rights, especially films rights from major studio and from independent studio, so as to manage them for revenues to be generated for the Company, the production of Thai films and the acquisition of copyrights in foreign films are deemed to serve as a main source of revenues of the Company. Consequently, there may be a risk in the event the film producers are not able to produce films that keep pace with and/or are of quality and/or correspond to the consumers' needs. However, the Company has mitigated the impact by procuring award-winning films and/or films from independent studio. In addition, the Group has now produced and distributed Thai films, with a plan for all-year shows, and prepared more Thai movies for supporting the theatrical.

The risk regarding operation results depending on the film market industry is, therefore, at low level.

- Risk Regarding Consumers' Tastes

The Company carries on the business of producing Thai films and acquiring both Thai and foreign film right so as to manage them for revenues to be generated for the Company. Therefore, the Company may have a risk in the event the film producers are not able to produce films that keep pace with and/or are of quality and correspond entirely to the consumers' needs and tastes. This depends on the selection of film categories by the Company, which must have regard mainly to popularity, suitability to sex and age of consumers as well as their economic status. In the previous year, the Company

had many titles of both Thai and foreign films that had become successful such as Lord Bunlue, Inhuman Kiss, Khun Phaen Begins, Bikeman 2, Happy New You and Dew.

The Company's risk regarding consumers' tastes is, therefore, at low level.

- Risk Regarding Exchange Rates

The Company encounters interest rate risk that is crucially associated with the overdrafts and loans from financial institutions with floating interest rates. It therefore is vulnerable to interest rate fluctuations, which might affect the Group's operating results and cash flow.

Realizing the importance of cushioning against impacts from such risk, the Company has adopted a policy on strict control and planning for its income and budget spending to ensure a low finance cost. The Group has not utilized derivatives for hedging against the said interest rate risk.

- Risk from Interest Rate

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- **Risk from Business Competition**

In an overall picture, the competition in the business of acquiring and distributing films of the Company in the year of 2019 had not much effect on the Company though, there are a small number of operators of business in the same category and of the same size as those of the Company. However, a significant factor that affects this business results from a change in the behavior of consumers who become more selective about movies to be viewed and there are more channels to view. This problem therefore requires that the Company adjust itself to accommodate this change in the consumers' behavior by acquiring films and producing Thai films that respond more to the consumers' needs so as to keep the continuous growth of its revenues. In addition, since the Company has strong connections with a large company that is the biggest owner of theaters in Thailand, it has a channel to exploit the films produced by the Group and those in which the copyrights have been purchased. This advantage is deemed a significant strong point of the Company when compared to its business competitors.

In the previous year, regarding the acquisition of film rights and the production of Thai films by the Company, the films distributed by the Company became successful because they could respond well to the consumers' needs. Moreover, the Company planned its marketing strategies carefully and planned to expand its customer base by selecting films of greater quality and with more variety. In addition, for adding value of our Thai film rights, the Company has distributed to international channel.

- **Risk from Copyright Infringements**

The spread of pirated goods and internet infringement are important problems that impair the growth of the motion picture business in Thailand a lot. Manufacturers and distributors of proper copyrights in Thailand have suffered impacts from these problems continuously. The Group, which conducts the business of distributing licenses and producing films for theater shows as well as manufacturing and distributing film media will also suffer this impact, which results in a risk in terms of

revenues or operation results that the Company ought to receive as a result of its investment in those film rights.

At present, both large and small operators of film media business, including the public sector, being aware of copyright infringements, cooperate in finding ways to prevent and suppress such illegal acts by setting up a joint agency performing the duty to detect sources of pirated film media production and illegal movie link. As a result, the film piracy rate remains constant or does not increase, and it is expected that it will decrease to one that cannot produce impacts or produces minimum effect on the operators of lawful film media business.

- **Risk from a major shareholder holding more than 15%**

The Company has a major shareholder holding 92.46% of the paid up shares of MPIC which is Major Cineplex Group Plc. having the controls and influencing on the decision of the Company in the matters which have to be approved by the shareholder's meeting therefore, the other shareholders of the Company lose the power to check and balance on the issue brought up by the said major shareholder.

- **Risk from having minor shareholder less than 15%**

As of 31 December 2019, paid up ordinary shares of the Company in amount of 92.46% was held by a major shareholder and 7.54 was held by other shareholders which affecting the volume of trade in the stock exchange hence the shareholders and investors could not trade in the time versus desired. Moreover, the Company has minor shareholder less than 15% affecting the status of company listing in SET which the Company have been concerned and try to resolve the regard as soon as possible.

CORPORATE GOVERNANCE

The Board of Directors recognizes the importance of good corporate governance as an important and essential element in the sustainable growth and prosperity of its business operation, to improve transparency, and to increase shareholders and other related parties' confidence, The Board has, therefore, devised a policy for the Company which incorporates the principles of corporate governance under the operational regulations of the Stock Exchange of Thailand as follows:

1. Setting the Corporate Governance Policy

1. The Company will treat every shareholder and stakeholder on equal and fair basis.
2. The Company will conduct its business activity with transparency, accountability, and disclose sufficient and comprehensive information to all parties concerned.
3. The Company will conduct its business activity with constant consideration of risks through appropriate control and management of risk procedures.
4. The Company's Board of Directors comprises at least 3 independent directors.
5. The Company's Board of Directors will hold a regular meeting, and may hold other additional meetings if required. The date of the meeting will be scheduled in advance, together with the clear outline of the meeting agendas. This will be submitted prior to the meeting, together with supporting documents in line with the Company's articles of association so that Company's Board of Directors has sufficient time to study the information prior to attending the meeting.
6. The Company's Board of Directors values the establishment of an internal control system, both financial and performance control, as well as the supervision of its operation. In this regard, the Board has set up an independent internal audit work unit as part of the Company's business operation.
7. The Board of the Company will ensure the application of ethical guidelines to the Company's business performance, the desired good work ethics of directors and staffs, and will communicate these ethics to all related departments for information

2. Rights and Equality of Shareholders

The Company recognizes the significance of shareholder's rights in accessing information on the Company, through its policy of providing clear information that is transparent, accurate, and fair. In this connection, the Company submits news and information on its performance results, investment in various projects, as well as company and groups transactions on a regular and timely basis. Shareholders are entitled to receive such Company information on fair and equal basis, and are entitled to attend the meetings, vote, and express their opinions during the shareholders' meeting. Each and every shareholder has equal rights as follows:

- The right to receive information on the Company's operation on a regular and timely basis.
- The right to participate in the shareholders' meetings, express opinions and
- The right to be informed of Company and groups related transactions
- Other legal rights

3. Stakeholders' Rights

The Company values the rights of every group of stakeholders including staff, executives, trade partners, executives, client, and shareholders and related parties, in accordance with their roles, functions, and responsibilities to comply with the relevant rules and regulations for the purpose of the Company's healthy performance and stable growth.

- Shareholders: the Company discloses information with transparency and reliability in order to create understanding and highest satisfaction amongst its shareholders.
- Staff: the Company has consistently treated its staff with fairness, and has assumed responsibility for the maintenance of work environment that is considered safe for the lives and assets of staff, and in strict compliance with the labor law, providing welfare, and paying proper compensation.
- Clients: the Company treats all its clients on fair and equal basis, and does not sign direct contracts with any exclusive advertising agency/ product owner client. Neither does it disclose client information to outside parties without receiving prior permission from the client or from authorized personnel within the Group;
- Business Partners: the business activities of trade partner must not in any way damage the Company's business reputation, or contradict with the regulations. Consideration is given to fairness in terms of business operation and mutual interests with clients.
- Society The Company has partnered with Major Care Foundation in activities for the benefit of society.

4. The Shareholders' Meeting

The Company schedules a General Shareholders' Meeting once a year, not longer than 4 months after the Company's fiscal year end date. In 2019, the Company held the Annual General Shareholders' meeting on 10 April 2019, in order to consider various important agendas. It has dispatched the appointment/invitation letters together with supporting documents providing sufficient and comprehensive information to the Company's share registrar for onward delivery to the shareholders to study the afore-mentioned information in detail. Furthermore, the Company facilitated the shareholders' participation in the shareholders' meeting by having the meeting room easily accessible, and in the event the shareholder cannot attend the meeting in person, he may authorize other individuals to attend in his place or authorize one of the independent to vote on his behalf.

The Company's Board of Directors gives importance to meeting attendance, and at least half of the total number of directors must attend the meeting, including the Audit Committee which also comprises the independent directors. At every meeting, the Chairman of the meeting will explain to the shareholders the meeting procedures, the exercise of voting rights, and the right to express opinions. Opportunity will be given for shareholders to make queries and recommendations on various issues, and the Company's management team, including the financial auditor attending the meeting will answer any questions raised on the agendas.

5. Role, Leadership, and Vision

The Company's Board of Directors is responsible to its shareholders for the Company's business performance, and for overseeing that management of the business is in line with the objectives and guidelines set, and in the shareholders' best interests; while at the same time taking into consideration the interests of all stakeholders

In its operation, the Board has appointed the Group's Chairman of the Executive Committee who is responsible for the management of the Company's regular business affairs, and has clearly defined the roles and functions of the Board of Directors and the senior management so that the operation proceeds most effectively, in accordance with the policy set. The Company's directors are individuals with knowledge and capability who has undergone various training programs from the Thai Institute of Directors Association- (IOD) as follows:

Director Certification Program

Mr. Vicha Poolvaraluk

Mr. Thanachai Santichaikul

Mr. Attapon Chodchoy

Mr. Vachara Tuntariyanond

Ms. Thitapat Issarapornpat

Director Accreditation Program

Mr. Tirachai Vutithum

Mr. Thanakorn Puriwekin

6. Conflict of Interest

The Board of Directors recognizes the significance of carefully considering transactions which may create conflict of interest, related or connected transactions, and will treat them the same way it treats with outside parties, upholding and abiding by the Stock Exchange of Thailand regulations as well as other rules which may be applicable to the transactions.

7. Business Ethics

The Board of Directors, the Committees, the management, and staff have a joint role in performing their duties in line with the Company's mission, guidelines and desired code of conduct, with honesty, integrity, and fairness which includes performance towards the Company, clients, and every group of stakeholders.

8. Balance amongst Non Executive Directors

As of 31 December 2019, there were 9 directors in the Company as follows:

Executive Directors	3 persons
Non-Executive Directors	2 persons
Independent Directors (Audit Committee)	4(3) persons

In this connection, the Company has 4 Independent Directors or equivalent to 44.44% of the total number of directors. The Company's Board of Directors is responsible for performing its duties in accordance with the law, its objectives, and the articles of association of the Company, as well as shareholders' resolution, with honesty, integrity, and caution in preserving the Company and its shareholders' interests. Each director's position has a definite term which is in accordance with the Company's article of the Company, as well as shareholders' resolution, with honesty, integrity, and caution in preserving the Company and its shareholders' interests. Each director's position has a definite term which is in accordance with stipulate that at each Annual General Shareholders' meeting 1 out of 3 directors must leave his position, by having the director who has assumed the position longest resign.

9. Combining/Separating of Positions

The Company separates the position of Chairman of Board of Directors from that of Chairman of Executive Committee, and such positions cannot be assumed by one individual. This serves to balance the power amongst the management for the purpose of appropriateness and transparency. The Company has defined functions by setting clear policies with regard to supervision and management.

- **Mr. Tirachai Vutithum**, Chairman of the Board of Directors, is responsible as the Head of the Company's Board of Directors, and acts as the Chairman of the Company's Board of Directors' meetings. Whenever, the Company holds a shareholders' meeting, the Chairman of the Board of Directors will assign the Deputy Chairman of Board of Directors, or Chairman of the Management Committee, or Chairman of the Executive Committee to serve as the Chairman of the meeting on his behalf if he is required to perform his duties overseas during that time.
- **Mr. Thanakorn Puriwekin**, Director and Chief of Executive Offer, and is responsible for being leader of the Company's management team, responsible for the Company's performance in accordance with the policy by the Company's Board of Directors, and reports directly to the Company's Board of Directors

10. Remuneration of Directors and Executives

The Company determines rates of the remuneration of Directors by holding transparency, appropriated, with approval of the shareholders and base considered on each responsibility, duties, acknowledges, capabilities, moralities. For remunerations of Executives, the Company base determines on conforming to each knowledge, capacities, moralities, and performances.

11. Board of Directors' Meeting

In 2019, the Company held 4 Board of Directors' meetings. The Company prepares the meeting invitation, the meeting agenda, together with supporting documents at least 7 days prior to each meeting. The proper timing allocated for the various meeting agendas will be set by the Board of Directors, and an officer will be responsible for recording of the minutes of the meeting, and seriously implementing the meeting resolution, as well as following up, and filing of the previous minutes which have been endorsed by the Board of Directors, ready for review to be undertaken by the Board of Directors and related parties.

12. The Committees

The company sets up the Sub-Committee, namely Audit Committee, Executive Committee and Risk Committee (detailed in Board and Committee structure)

13. Internal Control and Audit Policy

The Company has established an internal control system by setting up the Internal Audit Department which reports directly to the Audit Committee, in order to undertake audit of the internal operation system, and to make recommendations regarding the adequacy and appropriateness of the Company and its subsidiaries' internal control systems. The Company's internal control system will also be applicable to executives in order to prevent damages which may arise from the misuse of assets or from lack of proper authority, by clearly setting executives' scope of authority and responsibility.

14. Board of directors' Report

The Company's Board of Directors is responsible for the Company and its subsidiaries' consolidated financial statements, and financial information which appear in the annual report. The afore-mentioned financial statements have been prepared in accordance with internationally accepted standards, in Thailand, using careful judgments, and the best possible estimate/projections, as well as disclosing sufficient information in the notes to financial statements. This will create stakeholders' confidence in the Company's financial statements. In the past, the Company's Board of Directors had appointed an Executive Committee which comprised highly qualified independent directors with qualification which comply with the Stock Exchange of Thailand's regulations, to conduct a review, and ensure that the Company's financial reports are correct and adequate, with an appropriate and efficient internal control system, and to review that the operations comply with the Stock Exchange regulations, obligations to outside parties, and other relevant rules and regulations, including the selection and proposal to appoint and offer remuneration of the auditor.

15. Investor Relations

The Company's Board of Directors recognizes the importance of disclosing correct, complete, transparent, and comprehensive information which include the financial report, general information, as well as other relevant information which could affect its share price. The distribution of the aforementioned news and information distribution of the aforementioned news and information is for investors and related parties' information through the various information distribution media channels of the Stock Exchange of Thailand and the Company's website. [www.mpictures.co.th/mpic/investors]

16. Overseeing Usage of Internal Information

The company oversees usage of internal information by stipulating a policy as follows:

- Executives including their spouse, children under legal age, are prohibited from buying and selling shares of the company. In case information comes to the knowledge of an executive about an adverse affect on purchase and sale of the company's asset, he will notify an executive of high level only and such information will be revealed to the employees only as necessary for their work performance.
- Executives including their spouses, children under legal age are to report any change of security holding to the Securities Exchange Commission and the Stock Exchange of Thailand within 3 working days, from the occurrence date of purchase and sale, under Section 59 of Securities and Stock Exchange Act, B.E. 2535 (A.D.1992)

INTERNAL CONTROL

The Company's Audit Committee through the Internal Audit Department has supervised and reviewed the efficiency, adequacy, and appropriateness of the Company's internal control system in various aspects, and if any serious defect or abnormality is discovered, then this must be reported to the Company's Board of Directors for swift improvement and rectification.

The Board of Directors and Management term are responsible for the Company in remaining the Company's internal control system. In the Board of Directors' Meeting No.1/2020 hold on February 17, 2020 which the Independent Directors and the Audit Committee attended, considered and evaluated the adequacy of the Company's Internal Control System in 5 aspects as follows;

1. Organization and environmental conditions

The Board of Directors concerned on express and evaluated determination of business target, which shall guides the operation of employees. There are frequent reviews the target by consideration of operation possibility. Manages the organization structure to support and conform to operations of Management Team. The Company sets the express rule practices for conflict of interest transaction and also imposes punishments in case the breaking. The Company sets the express rule practices for conflict of interest transaction and also imposes punishments in case the breaking. The Company set the operation guideline in writing for financial and purchasing and also general managing transactions for all employees in order to prevent corruption. The Company is including determines policies and operation plans by taking into consideration of equality of business partners and long-term benefits of the Company.

2. Risk management

Management Team has frequently and cautiously considered with analyzing all risks which may effect to the Company, and also provided the Company the internal audit team to monthly report auditing results to the Audit Committee. Moreover, the Board of Director appointed Executive Committee to monitor and consider risks of the Company with giving opinions and resolution of such risk reduction to the Board of Directors.

3. Supervision of executive performance

The Company has proper limited the scope of duties, responsibilities and approval authorities of executives set cautiously the procedures of related transaction with the major shareholders, directors, executives, or related parties, by consideration base on the highest benefit of the Company and with agreement of the Audit Committee and approval of the Board of Directors.

4. Information system and communication

The Company provides adequate information for support the decisions on agendas contained in meeting of the Board of Directors by sending information at least 7 days before each Meeting. And there are also recording questions and directors' opinions in every minutes of meeting. The Company keeps in categories of corporate and the company's documents. Management Term applies standard and acceptable accounting policy which is conforming to the nature of the Company's business.

5. Follow up process

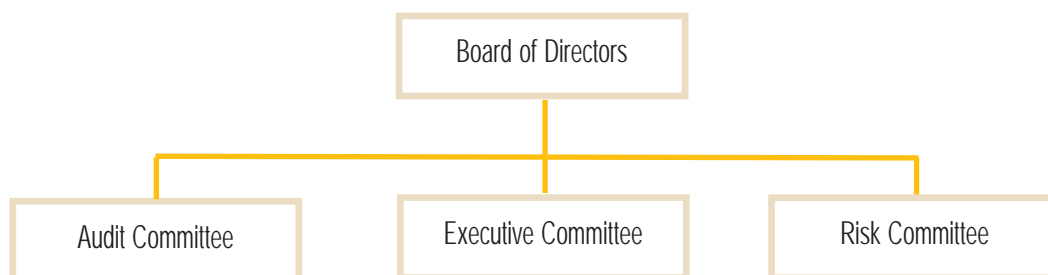
The Company frequently compares business targets of the Company with operation results, and makes report to the Board of Directors. Moreover, the Company provides the internal auditing which will directly report to the Audit Committee.

The Board of directors and the Audit Committee of the Company are agree with Auditor who has reviewed the efficiency of the Company and Group's internal control, that the Company and subsidiaries have adequate and appropriate internal control systems fit to nature of the Company and subsidiaries business, which are capable in protection of the Company's assets from executives' misuse or insufficient authorized usage. No significant defect was found in the accounting internal control system which would require the financial auditor's comments to be included in the 2019 financial statements.

In addition, the Company's Board of Directors also stressed the development of corporate governance system in order that the internal control system will be continuously and further improved.

CORPORATE MANAGEMENT STRUCTURE

Corporate Management Structure of the Company consists of 4 committees, namely the Board of Directors, Audit Committee, Executive Committee and Risk Management. The scope of work and authority of each committee are as following:



1. Board of Director

As of December 31, 2019, there were Directors in the Board of Directors as namely below;

- | | | |
|----|----------------------------|---|
| 1 | Mr. Tirachai Vutithum | Independent Director/Chairman of the Board of Director |
| 2 | Mr. Vicha Poolvaraluk | Director/ Vice Chairman of the Board of Director |
| 3. | Mr. Thanakorn Puriwekin | Director/ Chief Executive Officer |
| 4 | Mr. Thanachai Santichaikul | Independent Director/Chairman of the Audit Committee / Risk Committee |
| 5 | Mr. Attapon Chodchoy | Independent Director/ Audit Committee/ Risk Committee |
| 6. | Mr. Vachara Tuntariyanond | Independent Director/Audit Committee/ Chairman of / Risk Committee |
| 7 | Ms. Thiatpat Issapornpat | Director / Risk Committee |
| 8 | Mr. Apichart Kongchai | Director |
| 9 | Mr. Apirak Varachanonth | Director /Risk Committee |

Ms. Thitapat Issarapornpat is acting on behalf of Company Secretary.

Directors authorized to sign binding the Company consist of Mr. Vicha Poolvaraluk, Mr. Thanakorn Puriwekin and Ms. Thitapat Issarapornpat two of these three directors' together sign and affix the Company's seal. From the above Board of Directors' structure, the Company's ratio of non-executive to executive directors is 6 to 3 which is more than half of the total number of directors.

ROLE AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. To perform its duty in overseeing the Company's business operation, that it is in line with the law, the Company's objectives, the Articles of Association, and the shareholders' resolution, with honesty, integrity, and caution.
2. To set the Company's strategy, direction, and operational plan, and supervise that the management performs in accordance with the Company's policy and objectives in the most efficient manner.
3. To consider important issues such as investment in new projects, acquisition and disposal of assets in line with SET regulations, as well as other regulations.
4. To review the performance results, the financial report, audit of accounts, and to follow up on the management's performance.
5. To consider issues, and make proposals for the shareholder's meeting approval, with caution and prudence.
6. To oversee and ensure that problems with regard to conflict of interest do not arise amongst the Company's stakeholders.
7. To supervise and ensure that the operation proceeds in line with good code of ethics.

2. Audit Committee

As of 31 December 2019, the Audit Committee consisted of 3 directors as follows:

- | | | | |
|----|---------------|---------------|---------------------------------|
| 1. | Mr. Thanachai | Santichaikul | Chairman of the Audit Committee |
| 2. | Mr. Attapon | Chodchoy | Audit Committee |
| 3. | Mr. Vachara | Tuntariyanond | Audit Committee |

Mr. Nipon Sunthrajarn served as Secretary to the Audit Committee.

ROLE AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

1. Reviews that the Company's financial report is correct and complied with acceptable accounting standard, and adequate financial information disclosure.
2. Reviews and ensures that the Company's internal control and internal audit systems are appropriate and effective. Moreover, considers and approves of appointment, removal, termination of head of internal audit or other of which related to internal auditing.
3. Reviews and ensures that the Company abides by the SEC and SET rules and regulations, or other regulations related to the Company's business.
4. Considers, selects, and proposes the appointment and remuneration of the Company's financial auditor.
5. Considers, reviews, and provides comments including the comprehensive and accurate disclosure of Company information in the event of related transactions or those that may give rise to conflicts of interest to ensure that such related transaction or conflict of interest transaction are acceptable reasonably and make the highest benefits to the Company.
6. Prepares Audit Committee report with signature of the Chairman of the Audit Committee and discloses in Annual Report of the Company. The report shall be at least consisted of information as listed below;
 - (a) Opinions of accuracy, completeness, and trustable of the Company's financial reports.
 - (b) Opinions of sufficiency of the Company' internal control system.
 - (c) Opinions of compliance of the Securities and Exchange law, the Stock Exchange's regulations, and other related laws.
 - (d) Opinions of suitability of auditors.
 - (e) Opinions of related and conflict of interest transaction.
 - (f) Numbers of the Audit Committee Meeting and attending of each Audit Committee.
 - (g) General opinions and or suggestions on conducting duties under Charter.
 - (h) Other matters in scope of duties and responsibilities assigned by the Board of Director which are considered that they should be disclosed to shareholders and investors .

7. Examines and ensures that the Company has proper and effective risk management systems.
8. Reviews and comments on the internal audit plan, the Internal Audit operation, and coordinates with the financial auditor.
9. In performing its work responsibilities, the Audit Committee is authorized to invite the relevant management, executives, or staffs of the Company to provide opinions, attend meetings, or submit documents as see the Audit Committee sees fits.
10. Prepares the Audit Committee's report on corporate governance.
11. Reports the Audit Committee's performance to the Company's Board of Directors at least 4 times per year.
12. Authorized to hire consultants or outside parties according to the Company's regulations to provide comments or give advice in cases as deemed necessary.
13. Responsible for the Board of Directors on assignments and shall report performances with suggestions in result of auditing to the Board of Directors at least 2 times per year.

3. Risk Committee

As of 31 December 2019, the Risk Committee consisted of 6 directors as follows:

- | | | | |
|----|---------------|---------------|----------------------------|
| 1. | Mr. Vachara | Tuntariyanond | Chairman of Risk Committee |
| 2. | Mr. Thanachai | Santichaikul | Risk Committee |
| 3. | Mr. Attapon | Chodchoy | Risk Committee |
| 4. | Ms. Thitapat | issarapornpat | Risk Committee |
| 5. | Mr. Apirak | Varachanonth | Risk Committee |
| 6. | Mr. Nipon | Sunthrajarn | Risk Committee |

ROLE AND RESPONSIBILITIES OF RISK COMMITTEE

1. Assessing and presenting policies, set risk management policy and framework and propose to the Board of Directors for approval.
2. Examining and agreeing on acceptable risk levels, approve risk management plans and present to the Board of Directors.
3. Continuously monitoring, develop and comply with policies and the risk management framework so the MPIC Group will have a risk management system that is uniformly effective throughout the organization to ensure that policies continue to be observed.
4. Assessing risk identification and assessment procedures, report on significant risk management activities and enforce procedures to ensure that the organization has sufficient and appropriate risk management systems in place.
5. Coordinating with the Audit Committee about significant risk factors and appoint an internal risk assessment team to ensure that the MPIC Group's risk management system is appropriate to the exposure, adapted as needed and adopted throughout the organization.
6. Continually reporting to the Board of Directors on significant risks and risk management solutions.
7. Appointing Sub-Committees and/or additional related personnel, or replacements in the Risk Management Committee and/or the Department and/or the working team that is related to managing risks as necessary, as well as determine their roles and responsibilities in order to achieve the objectives.
8. Executing other activities that pertain to managing risks as assigned by the Board of Directors.

4. Executive Committee

As of 31 December 2019, the Company's Executive Committee was consisted of 3 persons as below:

- | | |
|------------------|---------------|
| 1. Mr. Thanakorn | Puriwekin |
| 2. Mr. Vicha | Poolvaraluk |
| 3. Ms. Thitapat | Issarapornpat |

ROLE AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

- | | |
|--|--|
| 1. Manages and controls performance of the Company to the pointed direction by alertness, honesty, and follows the policy of the Board of Directors, and considers and report as assigned by the Board of Directors. | 4. Plans and considers the approach strategy for good and sustainable image of the Company. |
| 2. Considers the plan of the Company to contend in local and international stage. | 5. Operate by assignment of the Board of Directors. |
| 3. Plans and considers cash management for cutting financial liability and forming good financial structure. | 6. Operates and manages the Company's business in accordance with laws, objectives and regulations of the Company. |

5. Executive Management Team

As of 31 December 2019, Executive team of Companies consists of 2 executives as follows:

- | | | |
|------------------|----------------|-------------------------|
| 1. Mr. Thanakorn | Puriwekin | Chief Executive Officer |
| 2. Mr. Pornchai | Wongsriudompor | Chief Operation Officer |

Scope of operation approval authority Board of Director and Management Team

The Company has authorized financial approval limits for executives according to different types of transaction as follows:

- Management Team was authorized to approve financial limit in amount of not exceed of 10 million baht
- Manager level has no power to approve any financial amount.

For any project that is exceeded of 10 million baht must be required approval of the Board of Directors. In practice, however, any investments or negotiation on beneficial rights of the Company's business will be reported to the Board of Directors by the Management team before taking any actions, even if the transaction value is within the approved authority limit of the Management Team.

BOARD OF DIRECTORS' MEETING

The Company's Board of Directors schedules meetings in advance throughout the year. Additional meetings may be held to consider various important issues as urgently required and as deemed appropriate. Each meeting agenda consists of the consideration of the Company's policy, new investment projects, quarterly financial statements, as well as the financial report, and follow up of the Company's performance. The Secretary of the Board of Directors is responsible for confirming each meeting date, or making a new appointment date in the case of postponement from the original date, or calling an urgent meeting, and will also prepare and dispatch supporting documents to the directors. Each meeting generally lasts about 2 hours, and every director can freely express his opinions, and propose operational guidelines. Moreover, the Secretary to the Company's Board of Directors' duty is to take notes, and prepare the minutes of the meeting within 14 days, and to send the minutes which have been endorsed by the Company's Board of Directors, as well as file all minutes and supporting documents related to the Directors' meeting, ready for any review to be undertaken by the Board of Directors, shareholders, financial auditor, and related parties.

In 2019, the following meetings were held:

Board of Directors' Meeting	4	times
Audit Committee's Meeting	4	times
Annual General Shareholders' Meeting	2	times

No.	Name	Board of Director Meeting	Audit Committee Meeting	Annual General Meeting of Shareholder	Extra Ordinary General Meeting of Shareholder
1	Mr. Tirachai Vutithum	3/4	-	/	/
2	Mr. Vicha Poolvaraluk	4/4	-	/	/
3	Mr. Thanakorn Puriwekin	4/4	-	/	/
4	Mr. Thanachai Santichaikul	4/4	4/4	/	/
5	Mr. Attapon Chodchoy	4/4	4/4	/	/
6	Mr. Vachara Tuntariyanond	4/4	4/4	/	/
7	Ms. Thitapat Issarapornpat	4/4	-	/	/
8	Mr. Apichart Kongchai	4/4	-	-	-
9	Mr. Apirak Varachanonth	4/4	-	/	/

DEFINITION OF INDEPENDENT DIRECTOR

“Independent director” means fully qualified persons with independence as determined by the Stock Exchange of Thailand as followed;

1. Amount and elements of Independent Director shall have at least 1/3 of the Board of Directors and shall not less than 3 independent Director
2. Hold shares not exceed 0.5% of total voting right shares of the Company and also are included of shareholding of related parties.
3. Within preceded 2 years until present, shall not be participated in business management and controllable
4. Within preceded 2 years until present, shall not be in business relationship with the persons below;
 - Auditor: Strict prohibition
 - Other Professional Service Provider: Transaction value exceeds of 2 million baht/year
5. Do not be bloody relation, legislative relation, agent of executives or major shareholders, as well as being not appointed as a representative of other shareholders who bear relationship with major shareholders of the Company such as spouse, adopted child, etc.
6. Do not be director of other listed company in group.
7. Do not be management team, employee or advisor which regularly receives salary from the company, subsidiaries, or major shareholders.
8. Do not be benefit person whether directly or indirectly, in aspects of both financial and management of the company and subsidiaries.
9. There no relation with the executives or major shareholders.
10. Do not be agent on caring benefit of directors, major shareholders, shareholder which is related to major shareholder.

Exceptions: Transactions were considered necessary and irregular with unanimous approval of the Board of the Company. The Company shall disclose such transaction in Form 56-1 and Annual Report and Invitation of Shareholders' Meeting.

Real independence of the independent directors indicates good governance of the company, and the appointed independent director performs strictly comply with the foregoing rules. Especially, the independent directors can perform their duties, and give opinions or report operation results on assignment independently, regardless of any benefit concerning their assets and positions, and are forced neither influence of any group nor any pressure in giving opinions.

REMUNERATION OF THE BOARD OF DIRECTORS, EXECUTIVES AND STAFFS COST

Remuneration of the Board of Directors

The Company has set an appropriate level of remuneration for its directors and executives relative to other companies in the same business sector.

Monetary Remuneration

The remunerations of 9 Board of Directors totaled 2,270,000 baht in the form of remuneration and meeting allowances:

No	Name of Board of Directors		Amount (Baht)
1	Mr. Tirachai	Vuttiithum	275,000
2	Mr. Vicha	Poolvaraluk	335,000
3	Mr. Thanakorn	Puriwekin	225,000
4	Mr. Thanachai	Santichaikul	380,000
5	Mr. Attapon	Chodchoy	270,000
6	Mr. Vachara	Tuntariyanond	270,000
7	Ms. Thitapat	Issarapornpat	225,000
8	Mr. Apichart	Kongchai	145,000
9	Mr. Apirak	Varachanonth	145,000

Non-monetary Remuneration: No

Remuneration of Executives and Staffs

As of December 31, 2019, there are 50 employees (Executives and Staffs) in the Company and subsidiaries as detailed follows

Company	Amount (People)
1. Executives and Staffs of M Pictures Entertainment Plc.	18
2. Executives and Staffs of M Pictures Co.,Ltd.	32
TOTAL	50

As at end of 2019, total remuneration featuring with salary, providence fund and other welfares of all executives and staffs of the Company and subsidiaries is approximately THB 51.69 million.

AUDIT FEE

In the 2019, the Company and its subsidiaries paid an audit fee to the auditor's audit firm, to individuals or related parties which related with auditor and audit firm, totaling 4,238,500 baht.

Company	Amount (Baht)
M Pictures Entertainment Plc.	2,350,000
M Pictures Co., Ltd.	680,000
M V D Co., Ltd.	180,000
M Thirty Nine Co., Ltd.	550,000
M Talent Co., Ltd	150,000
Joint Venture Bikeman	42,000
Joint Venture Bikeman 2	71,500
Joint Venture Joint Venture Gang Tann Zing and Laan 25 Naa 24	91,000
Joint Venture Hug Terd Tueng	33,000
Joint Venture Sam Gler Hua Kaeng and Juad Kathoei Bung Fai	91,000
TOTAL	4,238,500

Non- Audit fee

The Company and its subsidiaries did not make use of any additional services from the auditor, auditor's audit firm, individuals or related parties who related with auditor or auditor's audit firm.

MAJOR SHAREHOLDERS

Information as of 28 February, 2020

	Name	Shares	%
1.	Major Cineplex Group Plc.	1,202,130,480	92.46
2.	Mrs. Pornnapat Ongvasith	18,337,100	1.41
3.	Mr. Varut Tantipiphob	11,671,100	0.90
4.	Ms. Sasithorn Ake-Attasit	7,680,000	0.59
5.	Ms. Supitsara Chatkul na Ayuttaya	7,563,500	0.58
6.	Mrs. Poonatree Sawangwongsakul	6,990,200	0.54
7.	Ms. Pranee Chuachetton	6,772,000	0.52
8.	Mr. Chairat Saetung	5,380,000	0.41
9.	Mrs. Surang Preampri	5,000,000	0.38
10.	Mr. Sasithorn Ongvasith	1,998,300	0.15

CONNECTED TRANSACTIONS

Person/ Juristic person who may have conflict of interest	% of Ownership interest	Type of transaction	Amount (MB)	Detail/Condition
Major Cineplex Group Plc.	92.46% direct holding	Revenue		
		1.Theatrical revenue sharing	58.52	Revenue sharing from theatrical release. This is a normal business transaction.
		2. Advertising	0.35	This is a normal business transaction.
		Expense		
		1. Advertising	1.36	This is a normal business transaction.
		2. Rental and services	0.63	Rental space and services for company's office.
		Trade accounts receivable	0.08	This is a normal business transaction.
		Accrued income	1.64	This is a normal business transaction.
		Deposit	1.25	This is a normal business transaction.
		Trade payables	1.40	This is a normal business transaction.
		Trade payables from related party	12.29	This is a normal business transaction.
M.P.I.C (Cambodia) Distribution Co.,Ltd.	Associate which 55% direct holding	Revenue		
		1.Distribution fee	1.42	This is a normal business transaction.
		Trade accounts receivable	5.56	This is a normal business transaction
Joint Venture Sang Krasue	Associate which 30% indirect holding by M Pictures Co., Ltd.	Revenue		
		1. Management Fee	0.12	This is a normal business transaction
		2. Distribution fee	5.13	This is a normal business transaction
		Trade accounts receivable	0.03	This is a normal business transaction
		Trade accounts receivable from related party	0.20	This is a normal business transaction

Person/ Juristic person who may have conflict of interest	% of Ownership interest	Type of transaction	Amount (MB)	Detail/Condition
Joint Venture Khun Phaen Fah Feun.	Associate which 51% indirect holding by M Pictures Co., Ltd.	Revenue		
		1. Management fee	0.07	This is a normal business transaction.
		2. Distribution fee	46.65	This is a normal business transaction.
		3. Advertising	0.30	This is a normal business transaction.
		4. Other income	0.03	This is a normal business transaction.
		Trade accounts receivable	2.51	This is a normal business transaction.
		Accrued income	0.99	This is a normal business transaction.
		Trade accounts receivable from related party	0.03	This is a normal business transaction.
		Trade payables	1.69	This is a normal business transaction.
Joint Venture That March.	Associate which 14% indirect holding by M Pictures Co., Ltd.	Revenue		
		1. Distribution fee	0.29	This is a normal business transaction.
		Trade accounts receivable	4.72	This is a normal business transaction
		Accrued income	0.29	This is a normal business transaction
Joint Venture Our Love Forever	Associate which 14% indirect holding by M Pictures Co., Ltd.	Revenue		
		1. Distribution fee	0.32	This is a normal business transaction
		Trade accounts receivable	0.34	This is a normal business transaction
		Trade payables	1.40	This is a normal business transaction

Person/ Juristic person who may have conflict of interest	% of Ownership interest	Type of transaction	Amount (MB)	Detail/Condition
Joint Venture Kuen Yuttiham	Associate which 70% indirect holding by M Pictures Co., Ltd.	Revenue		
		1. Management fee	0.05	This is a normal business transaction.
		Trade payables from related party	17.00	This is a normal business transaction.
Joint Venture Atchariya Tong Sang	Associate which 35% indirect holding by Transformation Films Co., Ltd.	Revenue		
		1. Management fee	0.05	This is a normal business transaction.
		2. Distribution fee	0.48	This is a normal business transaction.
		Accrued income	0.02	This is a normal business transaction
Joint Venture Hug Terd Tueng	Associate which 55% indirect holding by M Pictures Co., Ltd.	Revenue		
		1. Management fee	0.02	This is a normal business transaction
Joint Venture Bikeman	Joint operation which 70% indirect holding by M Thirty Nine Co., Ltd.	Revenue		
		1. Management fee	0.04	This is a normal business transaction
		2. Distribution fee	0.16	This is a normal business transaction
		Trade accounts receivable	0.10	This is a normal business transaction
		Trade payables	0.55	This is a normal business transaction
Joint Venture Bikeman 2	Joint operation which 55% indirect holding by M Thirty Nine Co., Ltd.	Revenue		
		1. Management fee	0.04	This is a normal business transaction
		2. Distribution fee	0.96	This is a normal business transaction
		3. Advertising	0.09	This is a normal business transaction
		4. Other income	0.01	This is a normal business transaction
		Trade accounts receivable	0.86	This is a normal business transaction
		Accrued income	0.57	This is a normal business transaction

Person/ Juristic person who may have conflict of interest	% of Ownership interest	Type of transaction	Amount (MB)	Detail/Condition
Joint Venture Bikeman 2 (Ct.)		Trade accounts receivable from related party	0.01	This is a normal business transaction.
		Trade payables	0.17	This is a normal business transaction.
Joint Venture Gang Tann Zing and Laan 25 Naa 24	Joint operation which 70% indirect holding by M Thirty Nine Co., Ltd.	Revenue		
		1. Management fee	0.06	This is a normal business transaction.
		2. Distribution fee	0.36	This is a normal business transaction.
		Trade accounts receivable	0.34	This is a normal business transaction.
		Accrued income	0.04	This is a normal business transaction.
		Trade accounts receivable from related party	0.01	This is a normal business transaction.
		Trade payables	0.54	This is a normal business transaction.
		Trade payables from related party	0.05	This is a normal business transaction.
Joint Venture Sam Gler Hua Kaeng and Juad Kathoei bung Fai	Joint operation which 70% indirect holding by M Thirty Nine Co., Ltd.	Revenue		
		1. Management fee	0.02	This is a normal business transaction.
		2. Distribution fee	0.13	This is a normal business transaction.
		Trade accounts receivable	0.11	This is a normal business transaction.
		Accrued income	0.13	This is a normal business transaction.
Major Kantana Broadcasting Co.,Ltd.	Joint ventures with 44.99% direct holding	Revenue		
		1. Management fee	0.48	This is a normal business transaction.
		2. Distribution fee	1.35	This is a normal business transaction.
		Trade accounts receivable	0.03	This is a normal business transaction.
		Accrued income	0.21	This is a normal business transaction.

Person/ Juristic person who may have conflict of interest	% of Ownership interest	Type of transaction	Amount (MB)	Detail/Condition
Major Kantana Broadcasting Co.,Ltd. (Ct.)		Trade accounts receivable from related party	0.05	This is a normal business transaction.
		Trade payables	4.61	This is a normal business transaction.
Transformation Films Co.,Ltd.	Joint ventures with 34.69% direct holding	Revenue		
		1. Management fee	0.36	This is a normal business transaction.
		2. Distribution fee	3.11	This is a normal business transaction.
		3. Advertising	3.20	This is a normal business transaction.
		Expense		
		1. Services fee	1.77	This is a normal business transaction.
		Trade accounts receivable	5.54	This is a normal business transaction.
		Accrued income	2.07	This is a normal business transaction.
		Trade payables	7.40	This is a normal business transaction.
		Trade payables from related party	0.35	This is a normal business transaction.
MVP M-Pictures Film Distribution (Lao) Co.,Ltd.	Joint ventures with 40% direct holding	Revenue		
		1. Distribution fee	1.48	This is a normal business transaction.
		2. Interest	0.02	This is a normal business transaction. Interest rate 4.6 % per year.
EGV Entertainment Plc.	Associate with Major Cineplex Group Plc.	Revenue		
		1. Theatrical revenue sharing	10.55	Revenue sharing from theatrical release. This is a normal business transaction.
		Expense		
		1. Advertising	0.01	This is a normal business transaction.
		Accrued income	0.26	This is a normal business transaction.

Person/ Juristic person who may have conflict of interest	% of Ownership interest	Type of transaction	Amount (MB)	Detail/Condition
Siam Cineplex Co.,Ltd.	Associate with Major Cineplex Group Plc.	Revenue		
		1. Theatrical revenue sharing	4.62	Revenue sharing from theatrical release. This is a normal business transaction.
		Expense		
		1. Advertising	0.01	This is a normal business transaction.
		Accrued income	0.09	This is a normal business transaction.
Bangkok Imax Theatre Co.,Ltd.	Associate with Major Cineplex Group Plc.	Revenue		
		1. Theatrical revenue sharing	0.11	Revenue sharing from theatrical release. This is a normal business transaction.
Major Cine Ad Co.,Ltd.	Associate with Major Cineplex Group Plc.	Revenue		
		1. Advertising	49.85	Advertising income. This is a normal business transaction.
Major Bowl Group Co.,Ltd.	Associate with Major Cineplex Group Plc.	Expense		
		1. Other expense	0.02	This is a normal business transaction.
		Trade payables	0.04	This is a normal business transaction.
Ratchayothin Management Co.,Ltd.	Associate with Major Cineplex Group Plc.	Expense		
		1. Other expense	0.03	This is a normal business transaction.
CJ Major Entertainment Co.,Ltd.	Associate with Major Cineplex Group Plc.	Revenue		
		1. Distribution fee	0.05	This is a normal business transaction.
Well Cineplex Co.,Ltd.	Associate with Major Cineplex Group Plc.	Revenue		
		1. Theatrical revenue sharing	0.51	Revenue sharing from theatrical release. This is a normal business transaction.
		Trade accounts receivable	0.09	This is a normal business transaction.
		Accrued income	0.01	This is a normal business transaction.

OPERATION HIGHLIGHT

The Consolidated performance of M Pictures Entertainment Plc. and subsidiaries within 3 years in the below table:

Financial Statement Information	December 31, 2019	December 31, 2018	December 31, 2017	Percentage of Change	
				2019/2018	2018/2017
Total Assets	140	823	883	(9.4)	20.5
Total Liabilities	228	319	154	(28.5)	107.1
Shareholder Equity	518	504	529	2.8	(4.7)
Registered Capital	857	1,313	1,313	(50.0)	(0.2)
Paid up Capital	850	1,300	1,300	(50.0)	
Total revenues	458	350	366	30.9	(4.4)
Total Expenses	442	375	529	17.9	(29.1)
Net Profit (Loss)	16	(25)	(163)	164.0	(84.7)
Earning (Loss) per share (Bath)	0.01	(0.02)	(0.12)	150.0	83.3

Financial Ratio

Financial Ratio	December 31, 2019	December 31, 2018	December 31, 2017
Return on Total Revenue (%)	3.5	(7.1)	(44.5)
Return on Shareholder's Equity (%)	3.1	(5.0)	(30.8)
Return on Total Assets (%)	2.1	(3.0)	(23.9)
Book Value per Share (Bath)	0.80	0.39	0.41

MANAGEMENT DISCUSSION & ANALYSIS

Operation results of the Company and subsidiaries

The Group generated profit in 2019 in amount of 15.82 and generated loss in 2018 in amount of THB 24.99 million.

Total revenues were recorded at Baht 457.92 million, main revenue in amount of Baht 1.30 million from management service fee, Baht 152.84 million film rights distribution, Baht 231.23 million from film production, Baht 62.25 million from advertising and Baht 7.68 million from selling goods, representing 0.28%, 33.38%, 50.49%, 13.60% and 1.68% of total revenues respectively. Compared with 2018, the total revenues increased about 36.56%.

Total expenses became higher about 17.97% from Baht 374.77 million in 2018 to Baht 442.10 million in 2019 because costs of production and services increased from Baht 173.17 million to Baht 252.76 million or 45.96% and selling and administrative expenses decreased from Baht 201.60 million to Baht 189.34 million or 6.08%.

Revenues

The Group's total revenues in 2019 increased from 2018 about Baht 121.90 million or 36.56% which could be broken down by line of business in the below:

(Unit: Million Baht)

Business Line	Amount		Increase/(Decrease)		Ratio : Total Revenue	
	2019	2018	Amount	%	2019	2018
Management fee	1.30	0.88	0.42	47.73	0.28%	0.25%
Film rights	152.84	92.89	59.95	64.54	33.38%	26.56%
Film production	231.23	150.75	80.48	53.39	50.49%	43.10%
Advertising	62.25	70.82	(8.57)	(12.10)	13.60%	20.25%
Goods	7.68	18.06	(10.38)	(57.48)	1.68%	5.16%
Total	455.30	333.40	121.90	36.56	99.43%	95.32%
Other revenue	2.62	16.38	(13.76)	(84.00)	0.57%	4.68%
Total Revenue	457.92	349.78	108.14	30.92	100.00%	100.00%

Film rights Distribution has increased in revenues by Baht 59.95 million or 65.54% because of more movies released in theaters in 2019 than 2018.

Film production business the revenues increased by Baht 80.48 million or 53.39% from 2018 because the year 2019, there were more released films that affect revenue higher than 2018.

Advertising revenues in 2019 recorded decrease of Baht 8.57 million or 12.10% because in the year 2019, we sold less media in Thai and international movies.

Sales goods has decreased in revenue by Baht 10.38 million or 57.48% because in 2019 the subsidiary sold less goods through online channels.

Costs of Production and Services and Gross Profit Margin

The Group's costs of production and services increased from Baht 173.17 million to Baht 252.76 million or Baht 79.59 million or 45.96% because cost of films' rights distribution has increased which affected higher revenue in its sector.

Selling and Administrative Expenses

Selling and administrative expenses became lower by Baht 12.26 million or 6.08% from Baht 201.60 million in 2018 to Baht 189.34 million in 2019 caused by effectiveness to control cost and expenses.

Financial Result of the Company and Group

Asset

As of December 31, 2019, the Group had total assets of Baht 746.07 million decreasing from December 31, 2018 of Baht 822.59 million or about 9.30%. The assets were composed of the following items:

Assets	As of December 31		Increase (decrease)		% of total asset	
	2019	2018	Amount	%	2019	2018
Cash and cash equivalent	97.76	42.45	55.31	130.29	13.10	5.16
Accounts receivable / other receivables net	190.84	255.50	(64.66)	(25.31)	25.58	31.06
Short term loan to related company		1.31	(1.31)	(100.00)	0.00	0.16
Inventory net	0.15	4.45	(4.30)	(96.63)	0.02	0.54
Film on production	115.32	192.19	(76.87)	(40.00)	15.46	23.36
Other current assets	31.81	23.50	8.31	35.36	4.26	2.86
Investments in associated company	41.03	10.40	30.67	292.26	5.50	1.27
Investments in joint venture net	64.16	71.94	(7.78)	(10.81)	8.60	8.75
Building and equipment net	2.19	4.39	(2.20)	(50.11)	0.29	0.53
Goodwill net	139.14	139.14			18.65	16.91
Computer program net	0.50	0.71	(0.21)	(29.58)	0.07	0.09
Film rights net	39.43	57.39	(17.96)	(31.29)	5.29	6.98
Other non-current assets	23.74	19.16	4.58	23.90	3.18	2.33
Total Asset	746.07	822.59	(76.52)	(9.30)	100.00	100.00

Cash and cash equivalents increased from December 31, 2018 in sum of Baht 55.31 million or 130.29% because the company was been paid from trade accounts receivable and got revenue from operation.

Trade Accounts receivable and other receivables net decreased Baht 64.66 million or 25.31% from 2018 because there were movies releasing in the quarter 4/2018 and made payment in 2019.

Films on production decreased in amount of Baht 76.87 million or 40.00% from December 31, 2018. the company's plan effectively to continuous releasing movies in the theater and produced more movies also.

Investment in associated companies increased in amount of Baht 30.67 million or 292.26% from December 31, 2018 because of the subsidiaries more invested with the partners to produce Thai films.

Investments in joint venture net decreased from December 31, 2018 by Baht 7.78 million or 10.81% mainly from more recording impairment of investment.

Liabilities and Equity of Shareholders

Liabilities and Equity of Shareholders	December 31		Increase (decrease)		% of liabilities per Equity of Shareholders	
	2019	2018	Amount	%	2019	2018
Short term loan and OD from financial institutions	22.00	19.99	2.01	10.00	2.95	2.43
Accounts Payable and other payable	175.40	267.93	(92.53)	(34.54)	23.51	32.57
Liabilities from contract	17.80	15.99	1.81	11.32	2.39	1.94
Other Current Liabilities	8.57	9.00	(1.09)	(11.28)	1.15	1.17
Other Non Current Liabilities	4.38	5.42	(1.04)	(19.19)	0.59	0.66
Total Liabilities	228.15	318.99	(90.84)	(28.48)	30.58	38.78
Equity of Shareholders	517.92	503.60	14.32	2.84	69.42	61.22
Total Liabilities and Equity of Shareholders	746.07	822.59	(76.52)	(9.30)	100.00	100.00

Overdrafts and short term loans from financial institutions, the outstanding balance as of December 31, 2019 increased from 2018 by Baht 2.01 million or 10.06% due in 2019 the Company made loan with financial Bank for working capital.

Trade Accounts payable and other payable decreased from December 31, 2018 by Baht 92.53 million or 34.54% from decreasing of the payment of firms rights distribution

business and advertising to promote that firms which normal transaction of the business.

Shareholders' equity as of year end 2019 increased in sum of Baht 14.32 million or 2.84% resulting from revenues of the company generated profit in 2019.

Analysis of Financial Ratios:

	December 31, 2019	December 31, 2018	December 31, 2017
Current Ratio (times)	1.95	1.00	2.87
Receivable Turnover (times)	2.46	2.24	2.25
Average Collection Period (days)	148	163	162
Total Assets Turnover (times)	0.61	0.41	0.53
Total Debt to Equity Ratio (times)	0.44	0.63	0.29

Remark: Receivable Turnover and Average Collection Period; the Group normally grants a credit term of around 90-180 days.

AUDIT COMMITTEE'S REPORT

Over the past 2019, the Audit Committee of M Pictures Entertainment Plc. is comprised of 3 independent directors. The Audit Committee is empowered by the Board of Directors.

The Audit Committee has duty which delegated by the Board of Directors to examine financial information and plan, also investigate related transaction which having conflict of interest. Moreover, the Audit Committee is consultant on risk management, internal control, sufficiency of internal control to the executives.

For the fiscal year 2019, the Audit Committee held 4 meetings. In such meetings, the Committee met external permitted auditor to review financial information and 1 meeting permitted auditor without executive management.

The Audit Committee has audited the management to be complied with SEC/SET's rules and regarding the corporate law, given suggestion about good corporate governance and reviewed the risk management and related transaction in every meetings.

The Audit Committee is of opinion that the internal control system of the Company operated effectively, insurable that the Company's assets were safe-guarded, proper accounting records were maintained, and resources were utilized efficiently. The Audit Committee has reviewed quarterly and yearly financial statement of the Company before recommending to the Board of Directors' Meeting. For the financial statement of 2020, the Audit Committee proposed 3 auditors to the Board of Directors namely; Ms. Sakuna Yamsakul, a certified public accountant no. 4906 or Ms. Nuntika Limviriyalers, a certified public accountant no. 7358 Ms. Tithinun Vankaw, a certified public accountant no. 9432. For the financial statement of 2020, the authorized auditors for the financial statement depend on the approval of the Annual General Meeting of Shareholders 2020 which will be hold on 8 April 2020



(Mr. Thanachai Santichaikul)
Chairman of Audit Committee

RESPONSIBILITY STATEMENT OF THE BOARD TO FINANCIAL STATEMENT

The Board of Directors is responsible for the Company and consolidated financial statements as well as financial information as disclosed in annual report. The financial statements are prepared according to generally accepted accounting standard in Thailand by applied appropriate accounting policy with nature of the Company's business, controlled and followed up operations closely. Moreover, the Board of Directors appointed Audit Committee from Independent directors who were not executives by consideration based on knowledge, capability, experience, and vision to examine and control quality of the Company's financial statements, controlled in any related transactions or any conflicts of interest to correct operations under related procedures and regulations and also provided effective internal audit office to ensure all related parties the accurate, clear and sufficient of accounting information.

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



(Mr. Tirachai Vutithum)
Chairman of the Board of Directors



(Mr. Thanakorn Puriwekin)
Chief Executive Officer

M PICTURES ENTERTAINMENT PUBLIC COMPANY LIMITED
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2019

Independent Auditor's Report

To the Shareholders and the Board of Directors of M Pictures Entertainment Public Company Limited

My opinion

In my opinion, the consolidated financial statements of M Pictures Entertainment Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

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

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Goodwill impairment assessment. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p>Goodwill impairment assessment</p> <p>Refer to note 4 (Critical accounting estimates, assumptions and judgements) and note 16 (Intangible assets, net), the Group's goodwill is recognised based on Cash Generating Units (CGUs) in respect of investment in M Pictures Co., Ltd. net of Baht 139.14 million or 19% of total assets.</p> <p>Management tests the impairment of goodwill annually by engaged an independent specialist to perform the assessment and calculated its recoverable amount by applying value in use. Management has concluded that there is no additional impairment of goodwill in respect of investment in M Pictures Co., Ltd. as at 31 December 2019.</p> <p>I focused this area due to the size of the goodwill balance which was material to the financial statement and because of the fact that management's assessment of the recoverable amount of the Group's CGUs involves significant judgements about the future results of the businesses, the growth rates and the discount rates applied to future cash flow forecasts. Small changes can have a material impact on the assessed recoverable amount and the impairment charge.</p>	<p>I evaluated management's cash flow forecasts of Cash Generating Units (CGUs) and the process by which they were computed, including verifying the mathematical accuracy of the underlying calculations. I also compared them to the latest management approved budgets. I found that the information in those reports used in the recoverable amount calculations were consistent with approved budgets. Management reviewed the key assumptions, which are the growth rate and discount rate.</p> <p>I reviewed and challenged the forecast prepared with management's independent specialist whether it was optimistic considering the market situation and trends of movie business. I also compared the recoverable amount from the valuation report as recently prepared by management's independent specialist, as at year end whose report dated 31 January 2020 with the goodwill's carrying value.</p> <p>I also tested these significant assumptions:</p> <ol style="list-style-type: none"> 1. the growth rates used in the cash flow forecasts by comparing them to historical results and economic and industry forecasts, and 2. the discount rate used in the model by assessing the weighted average cost of capital of the Group by comparing it to recent market data. <p>I found, based on my audit work, the key assumptions used in relation to the recoverable amount calculations appeared reasonable and appropriate.</p>

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

PricewaterhouseCoopers ABAS Ltd.



Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
17 February 2020

M Pictures Entertainment Public Company Limited
Statement of Financial Position
As at 31 December 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Notes					
Assets					
Current assets					
Cash on hand and cash equivalents	7	97,765,360	42,446,077	5,221,646	842,035
Trade and other receivables, net	8	190,841,864	255,500,357	2,436,055	6,177,108
Short-term loans to related parties	30 iv)	-	1,304,000	201,600,000	192,304,000
Inventories, net	9	145,972	4,451,637	-	-
Films under production		115,321,344	192,191,178	-	-
VAT receivables		4,046,539	7,233,767	-	-
Withholding tax deducted at sources		25,231,396	13,613,947	676,510	562,121
Other current assets	10	2,531,260	2,654,553	24,848	38,929
Total current assets		435,883,735	519,395,516	209,959,059	199,924,193
Non-current assets					
Investments in subsidiaries, net	11	-	-	237,130,105	238,330,105
Investments in associates	12	41,032,778	10,464,611	3,457,300	-
Joint arrangements, net	13	64,160,339	71,941,795	64,304,000	70,977,074
Other long-term investment, net	14	-	-	-	-
Buildings and equipment, net	15	2,185,440	4,384,638	1,450,302	3,141,569
Goodwill, net	16	139,142,506	139,142,506	-	-
Computer program, net	16	495,836	714,555	114,062	232,442
Film rights, net	16	39,433,961	57,384,963	-	-
Deferred tax assets	17	21,780,655	17,101,165	2,316,554	2,487,109
Other non-current assets, net	18	1,957,842	2,061,063	1,263,815	1,263,815
Total non-current assets		310,189,357	303,195,296	310,036,138	316,432,114
Total assets		746,073,092	822,590,812	519,995,197	516,356,307

Director _____

Director _____

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

M Pictures Entertainment Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Notes					
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term borrowings					
from financial institutions	19	22,000,000	19,992,753	-	-
Trade and other payables	20	175,404,431	267,938,147	4,406,898	4,195,970
Contract liabilities	25	17,794,910	15,986,769	-	500,000
Current portion of liability					
under finance lease		-	77,548	-	77,548
Undue output VAT		2,174,708	2,770,422	72,100	-
Provision for sales return		150,000	1,945,058	-	-
Other current liabilities		6,244,628	4,860,920	188,653	159,582
Total current liabilities		223,768,677	313,571,617	4,667,651	4,933,100
Non-current liabilities					
Employee benefit obligations	21	4,382,312	5,121,684	2,854,329	3,172,221
Other non-current liabilities		-	300,000	-	-
Total non-current liabilities		4,382,312	5,421,684	2,854,329	3,172,221
Total liabilities		228,150,989	318,993,301	7,521,980	8,105,321

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

M Pictures Entertainment Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2019

		Unit: Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
Notes		2019	2018	2019	2018
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital	22				
1,313.11 million ordinary shares					
of par Baht 0.50 each					
(2018: 1,313.11 million					
ordinary shares of par Baht 1 each)		656,558,588	1,313,117,176	656,558,588	1,313,117,176
Issued and fully paid-up share capital					
1,300.11 million ordinary shares					
of par Baht 0.50 each					
(2018: 1,300.11 million					
ordinary shares of par Baht 1 each)		650,059,588	1,300,119,176	650,059,588	1,300,119,176
Share premium	22	132,612,302	453,981,276	132,612,302	453,981,276
Surplus from business combination under					
common control		(20,106,431)	(20,106,431)	-	-
Surplus from share reduction		387,835,695	-	387,835,695	-
Retained earnings (deficits)					
Appropriated - legal reserve	24	-	3,813,156	-	3,813,156
Unappropriated		(609,205,270)	(1,213,907,104)	(662,572,031)	(1,254,200,285)
Other components of equity		(23,273,781)	(22,181,016)	4,537,663	4,537,663
Equity attributable to owners of the parent		517,922,103	501,719,057	512,473,217	508,250,986
Non-controlling interests		-	1,878,454	-	-
Total equity		517,922,103	503,597,511	512,473,217	508,250,986
Total liabilities and equity		746,073,092	822,590,812	519,995,197	516,356,307

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

M Pictures Entertainment Public Company Limited
Statement of Income
For the year ended 31 December 2019

		Unit: Baht			
Notes	Consolidated financial statements		Separate financial statements		
	2019	2018	2019	2018	
Revenues					
Management fee income	1,302,500	882,000	16,040,000	12,910,000	
Revenues from films production and film rights distribution	384,073,511	243,642,575	-	-	
Sales of goods	7,683,727	18,059,434	-	-	
Advertising income	62,244,848	70,819,683	5,170,000	4,050,000	
Total revenues	455,304,586	333,403,692	21,210,000	16,960,000	
Cost of sales and services					
Cost of film production and film rights sold	241,678,097	145,619,929	-	-	
Cost of goods sold	7,006,082	15,168,567	-	-	
Cost of advertising	4,078,750	12,378,194	34,666	-	
Total cost of sales and services	252,762,929	173,166,690	34,666	-	
Gross profit	202,541,657	160,237,002	21,175,334	16,960,000	
Other income	2,619,929	16,375,578	25,764,039	12,039,510	
Selling expenses	(73,040,637)	(67,172,645)	(9,411,873)	(1,832,708)	
Administrative expenses	(73,571,109)	(112,273,190)	(25,087,548)	(357,749,670)	
Loss from impairment of investments in subsidiaries	11	-	-	-	(322,500,040)
Loss from impairment of investments in joint venture	13	-	(7,977,074)	(9,336,079)	
Finance costs	27	(2,446,727)	(1,204)	(14,830)	
Share of loss of associate and joint ventures	12, 13	(28,131,441)	-	-	
Profit (Loss) before income tax	27,971,672	(12,304,535)	4,461,674	(662,433,817)	
Income tax	28	(12,149,574)	(184,333)	(460,255)	
Profit (Loss) for the year	15,822,098	(24,991,757)	4,277,341	(662,894,072)	
Profit (Loss) attributable to:					
Owners of the parent	17,545,451	(25,283,656)	4,277,341	(662,894,072)	
Non-controlling interests	(1,723,353)	291,899	-	-	
	15,822,098	(24,991,757)	4,277,341	(662,894,072)	
Earnings (Loss) per share					
29					
Basic earnings (loss) per share	0.01	(0.02)	0.00	(0.51)	
Diluted earnings (loss) per share	0.01	(0.02)	0.00	(0.51)	

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

M Pictures Entertainment Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2019

		Unit: Baht			
Notes	Consolidated financial statements		Separate financial statements		
	2019	2018	2019	2018	
Profit (Loss) for the year	15,822,098	(24,991,757)	4,277,341	(662,894,072)	
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligations	(233,386)	(1,046,136)	(68,888)	(903,877)	
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(62,932)	(104,693)	-	-	
Income tax on items that will not be reclassified subsequently to profit or loss	46,678	221,827	13,778	180,775	
Total items that will not be reclassified subsequently to profit or loss	(249,640)	(929,002)	(55,110)	(723,102)	
Items that will be reclassified subsequently to profit or loss					
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(450,216)	82,167	-	-	
Total items that will be reclassified subsequently to profit or loss	(450,216)	82,167	-	-	
Other comprehensive income for the year, net of tax	(699,856)	(846,835)	(55,110)	(723,102)	
Total comprehensive income (expense) for the year	15,122,242	(25,838,592)	4,222,231	(663,617,174)	
Total comprehensive income (expense) attributable to:					
Owners of the parent	16,845,595	(26,130,491)	4,222,231	(663,617,174)	
Non-controlling interests	(1,723,353)	291,899	-	-	
	15,122,242	(25,838,592)	4,222,231	(663,617,174)	

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

M Pictures Entertainment Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2019

	Consolidated financial statements												Unit: Baht
	Attributable to shareholders of the parent												
	Other components of equity												
	Issued and fully paid-up share capital	Share premium	Share surplus from business under common control	Share surplus from share reduction	Legal reserve	Unappropriate deficits	Warrants	subsidiaries	Share of other parent's comprehensive income (expense) of joint venture	Total other parent's component shareholders' equity	Non-controlling interests	Total equity	
Opening balance as at 1 January 2018	1,300,119,176	453,981,276	(20,106,431)	-	3,813,156	(1,187,694,446)	4,537,663	(5,212,261)	(102,712)	(777,310)	549,335,421	(19,899,278)	529,436,143
Changes in equity for the year													
Addition investment in subsidiary by purchasing shares from non-controlling interest	-	-	-	-	-	-	-	(21,485,873)	-	(21,485,873)	(21,485,873)	21,485,833	(40)
Total comprehensive expense for the year	-	-	-	-	-	(26,212,659)	-	-	82,167	82,167	(26,130,491)	291,899	(25,838,592)
Closing balance as at 31 December 2018	1,300,119,176	453,981,276	(20,106,431)	-	3,813,156	(1,213,907,104)	4,537,663	(26,698,134)	(20,545)	(22,181,016)	501,719,057	1,878,454	503,597,511
Opening balance as at 1 January 2019	1,300,119,176	453,981,276	(20,106,431)	-	3,813,156	(1,213,907,104)	4,537,663	(26,698,134)	(20,545)	(22,181,016)	501,719,057	1,878,454	503,597,511
Changes in equity for the year													
Shares reduction by decreasing in par value	(650,059,598)	-	-	650,059,598	-	-	-	-	-	-	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	(642,549)	-	(642,549)	(642,549)	(155,101)	(797,650)
Total comprehensive income for the year	-	-	-	-	-	17,295,811	-	-	(450,216)	(450,216)	16,845,595	(1,723,353)	15,122,242
Distributions to deficits	-	(321,368,974)	-	(292,223,893)	(3,813,156)	587,498,023	-	-	-	-	-	-	-
Closing balance as at 31 December 2019	650,059,588	132,612,302	(20,106,431)	387,835,695	-	(609,205,270)	4,537,663	(27,340,633)	(470,761)	(23,273,781)	517,922,103	-	517,922,103

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

M Pictures Entertainment Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2019

	Separate financial statements					Unit: Baht	
	Issued and fully paid-up share capital	Share premium	Surplus from share reduction	Legal reserve	Unappropriate retained earnings (deficits)	Other components of equity	Total equity
Opening balance as at 1 January 2018	1,300,119,176	453,981,276	-	3,813,156	(590,583,111)	4,537,663	1,171,868,160
Changes in equity for the year							
Total comprehensive income for the year	-	-	-	-	(663,617,174)	-	(663,617,174)
Closing balance as at 31 December 2018	1,300,119,176	453,981,276	-	3,813,156	(1,254,200,285)	4,537,663	508,250,986
Opening balance as at 1 January 2019	1,300,119,176	453,981,276	-	3,813,156	(1,254,200,285)	4,537,663	508,250,986
Changes in equity for the year							
Shares reduction by decreasing in par value	(650,059,588)	-	650,059,588	-	-	-	-
Total comprehensive income for the year	-	-	-	-	4,222,231	-	4,222,231
Distributions to deficits	-	(321,368,974)	(262,223,893)	(3,813,156)	587,406,023	-	-
Closing balance as at 31 December 2019	650,059,588	132,612,302	387,835,695	-	(662,572,031)	4,537,663	512,473,217

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

M Pictures Entertainment Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
Cash flows from operating activities					
Profit (Loss) before income tax		27,971,672	(12,304,535)	4,461,674	(662,433,817)
Adjustments for:					
Depreciation and amortisation charge	26	249,661,638	175,493,114	1,672,669	1,837,388
Interest income		(64,276)	(247,886)	(3,729,333)	(11,981,518)
Interest expense		2,446,727	3,229,083	1,204	14,830
(Reversed) provision for sales returns		(1,795,058)	-	-	-
(Reversed) allowance for inventory obsolescence					
and diminution in value of inventories	26	(182,121)	(4,872,650)	-	-
Loss from impairment of film under production	26	10,000,000	-	-	-
Loss on disposal and write-off					
of equipment and intangible assets		5,246,108	15,979,662	136,978	250,000
Loss from impairment of investments					
in subsidiaries	11	-	-	-	322,500,040
Loss from impairment of investments					
in joint ventures	13	-	-	7,977,074	9,336,079
Doubtful account on loan to subsidiary					
and related interest		-	-	-	332,348,342
(Reversed) loss from impairment of film rights	16	(5,157,737)	(9,129,042)	-	(250,000)
Employee benefits obligations	21	275,178	(230,681)	838,563	701,754
Share of loss from associate and joint ventures	12, 13	28,131,441	6,242,197	-	-
Write off withholding tax		-	147,301	-	1
Gain from disposed of subsidiary	11	(3,525)	-	-	-
Changes in working capital:					
(excluding the effects of acquisition and disposal					
of a subsidiary)					
- trade and other receivables		61,929,203	(115,348,169)	3,732,295	(5,099,586)
- inventories		3,000,515	3,000,051	-	-
- films under production		(156,271,375)	(162,830,176)	-	-
- VAT receivables		3,187,228	3,368,219	-	-
- other current assets		(45,130)	(651,712)	14,081	5,211
- other non-current assets		1,221	264,500	-	-
- trade and other payables		(75,514,768)	192,236,973	(289,072)	2,410,464
- undue output VAT		(515,724)	1,642,673	72,100	-
- other current liabilities		1,437,027	1,089,040	29,071	(119,314)
- other non-current liabilities		(200,000)	300,000	-	(747,000)
- employee benefit obligations paid		(1,225,343)	(630,092)	(1,225,343)	(630,092)
Cash flows from (used in) operating activities		152,312,901	96,747,870	13,691,961	(11,857,218)
<u>Add</u> Interest received		85,171	241,582	3,738,091	5,332,129
Withholding tax received		713,629	11,103,444	562,121	2,011,028
<u>Less</u> Interest paid		(2,446,727)	(3,229,083)	(1,204)	(14,830)
Withholding tax paid		(31,690,712)	(23,741,097)	(676,510)	(562,121)
Net cash flows from (used in) operating activities		118,974,262	81,122,716	17,314,459	(5,091,012)

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

M Pictures Entertainment Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
Cash flows from investing activities					
Purchases of equipment		(731,819)	(704,670)	-	(378,517)
Proceeds from disposals of equipment		-	733,056	-	-
Purchases of computer program	16	-	(498,600)	-	(23,600)
Purchases of film rights		(15,786,700)	(20,722,353)	-	-
Short-term loans granted to subsidiaries	30 iv)	-	-	(32,500,000)	(65,000,000)
Short-term loans repaid from subsidiaries	30 iv)	-	-	21,900,000	91,000,000
Short-term loans granted to joint ventures	30 iv)	-	(10,804,000)	-	(5,804,000)
Short-term loans repaid from joint ventures	30 iv)	1,304,000	14,500,000	1,304,000	9,500,000
Proceed from disposals of subsidiary, net of cash disposed	11	1,061,141	-	1,200,000	-
Purchase of investment in subsidiary	11	-	(40)	-	(40)
Purchase of investments in associate	12	(57,477,300)	(10,500,000)	(3,457,300)	-
Purchase from return of investments in associate	12	7,350,000	-	-	-
Purchase of investments in joint ventures	13	(1,304,000)	(43,999,980)	(1,304,000)	(43,999,980)
Net cash used in investing activities		(65,584,678)	(71,996,587)	(12,857,300)	(14,706,137)
Cash flows from financing activities					
(Repayment) proceeds from bank overdrafts	19	(4,992,753)	4,992,753	-	-
Proceeds from short-term borrowings from financial institutions	19	72,000,000	100,000,000	-	-
Repayments of short-term borrowings from financial institutions	19	(65,000,000)	(145,000,000)	-	-
Repayment of liabilities under finance lease		(77,548)	(221,426)	(77,548)	(221,426)
Net cash used in financing activities		1,929,699	(40,228,673)	(77,548)	(221,426)
Net increase (decrease) in cash and cash equivalents		55,319,283	(31,102,544)	4,379,611	(20,018,575)
Opening balance of cash and cash equivalents		42,446,077	73,548,621	842,035	20,860,610
Closing balance of cash and cash equivalents		97,765,360	42,446,077	5,221,646	842,035
Non-cash transactions					
Significant non-cash transactions for the years ended 31 December 2019 and 2018:					
Outstanding payable arising from purchase of equipment		-	47,722	-	-
Outstanding payables arising from acquisition of film rights		324,984	9,924,250	-	-

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

1 General information

M Pictures Entertainment Public Company Limited ("the Company") is a public limited company incorporated and resident in Thailand. The address of the Company's registered office is as follows:

234 Suzuki Avenue Building (Ratchayothin), 13th floor, Ratchadapisek Road, Ladyao, Jatuchak, 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 Company is a subsidiary of Major Cineplex Group Public Company Limited ("Major").

The Company and its subsidiaries ("the Group") are principally engaged in the business of providing medias, marketing services and distribution of film rights, sales of VCD/DVD/Blu-ray, sales of pocket books and film production.

These Group consolidated and separate financial statements were authorised for issue by the Board of Directors on 17 February 2020.

2 Accounting policies

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

2.1 Basis for 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 TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Accounting policies (Cont'd)

2.1 Basis for preparation (Cont'd)

Reclassifications on statement of cash flows

Purchases of film rights in part of transfer in from films under production has been reclassified from investing activities to change in working capital of films under production in cash flows in operating activities on statement of cash flows.

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

	Previously presented Baht	Reclassification ns Baht	As restated Baht
Statement of cash flows for the year ended 31 December 2018			
Cash flows from investing activities:			
Purchases of film rights	(169,725,991)	149,003,638	(20,722,353)
Cash flows from operating activities:			
Change in working capital of films under production	(13,826,538)	(149,003,638)	(162,830,176)

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

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

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

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

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

2 Accounting policies (Cont'd)

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

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

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

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

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

Consolidated financial information

	As at 31 December 2018 Previously reported Baht	Reclassifications Baht	As at 1 January 2019 Restated Baht
Trade and other payables	283,924,916	(15,986,769)	267,938,147
Contract liabilities	-	15,986,769	15,986,769

Separate financial information

	As at 31 December 2018 Previously reported Baht	Reclassifications Baht	As at 1 January 2019 Restated Baht
Trade and other payables	4,695,970	(500,000)	4,195,970
Contract liabilities	-	500,000	500,000

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

Consolidated financial information

	Amounts as reported Baht	Impacts from TFRS 15 Baht	Amounts under the previous revenue standards Baht
Statement of financial position			
As at 31 December 2019			
Trade and other payables	175,404,431	17,794,910	193,199,341
Contract liabilities	17,794,910	(17,794,910)	-

2 Accounting policies (Cont'd)

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

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

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

	Separate financial information		
	Amounts as reported Baht	Impacts from TFRS 15 Baht	Amounts under the previous revenue standards Baht
Statement of financial position			
As at 31 December 2019			
Trade and other payables	4,406,898	-	4,406,898
Contract liabilities	-	-	-

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

The amendments made to TFRS 2 clarify:

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

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

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

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

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

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

2 Accounting policies (Cont'd)

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

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

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

a) Financial instruments

The new financial standards relate to financial instruments are:

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

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

On 1 January 2020, the Group will apply the financial reporting standards in its financial statements by applying modified retrospective approach. From the preliminary assessment, the management expect that the Group will be significantly affected on the following areas.

Impairment

The new provisions on the accounting of impairment losses will lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. As of 1 January 2020, there will be the recognition in impairment losses due to application of the simplified approach for trade receivables and contract assets, respectively. The transition adjustment will be recognised as an adjustment to the opening balance of retained earnings.

The Group is currently assessing the impact from initial application of these new financial standards relate to financial instrument.

b) TFRS 16, Leases

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

The Group is currently assessing the impact from initial application of this standard.

c) Other new/amended standards

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

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

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

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

2 Accounting policies (Cont'd)

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

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

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

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

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

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

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

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

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

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

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

2.3 Group accounting - investments in subsidiaries and associates and in joint arrangements

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method which direct cost related to acquisition of investment will be recognized as a part of initial cost of investment.

b) Associates

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

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

2 Accounting policies (Cont'd)

2.3 Group accounting - investments in subsidiaries and associates and in joint arrangements (Cont'd)

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. Investment in joint ventures are accounted for using the equity method.

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

d) Equity method

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

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

f) Intercompany transactions on consolidation

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

2 Accounting policies (Cont'd)

2.4 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 the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

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

c) Group companies

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

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

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. In the consolidated and separate statement of financial position, bank overdrafts are shown in current liabilities.

2.6 Trade accounts receivable

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

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

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value.

Cost is determined by the weighted average method. The cost of the purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory less all attributable discounts.

2 Accounting policies (Cont'd)

2.8 Films under production

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 consumption used in various channels. Costs of films comprise costs directly attributable to films production and are stated at cost.

2.9 Investments

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at cost which is fair value of consideration paid plus direct transaction cost.

General investments

General investments are carried at cost less allowance for impairment loss.

2.10 Buildings and equipment

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

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

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

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

Buildings	20 years
Building improvements	3, 5 years
Office equipment	3, 5 years
Motor vehicles (including vehicles under finance leases)	5 years

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

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

2.11 Goodwill

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

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

2 Accounting policies (Cont'd)

2.12 Intangible assets

Film rights

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

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and these costs are amortised over their estimated useful lives of 10 years.

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

2.13 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

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

2.14 Leases - where a Group Company is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

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

2.15 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

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

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

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

2 Accounting policies (Cont'd)

2.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

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

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

2.17 Employee benefits

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.

Defined contribution plan

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.

2 Accounting policies (Cont'd)

2.17 Employee benefits (Cont'd)

Defined benefit plans

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.

Other long-term benefits

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

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

2.18 Share-based payment

Employee options

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

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

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

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

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

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

2 Accounting policies (Cont'd)

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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

2.20 Provision for goods returns

Provision for goods returns in relation to VCDs and DVDs is estimated based on historical experience and other relevant market factors. Provision for goods returns is computed from sales profit margin and presented as a deduction from sales and cost concerned.

2.21 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

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

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

Management fee revenue and service revenue

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

Revenue from film production and sales of film rights distribution

- Revenue from box-office sharing between the theatre owner and licensor is sales-based royalties which is recognised when the right is delivered to the theatre and the movie ticket is sold to customers.
- License fees on film rights and film production is the revenue from providing a right to use its intellectual property, which being charged at fixed amounts in which they cannot be refunded and the licensor has no further obligations subsequent to granting the rights, are recognised as revenue in full when the licensee is entitled to exercise the rights under the terms of the agreement.

Revenue from sales of goods

- Sales of VCD and DVD and pocket books are based on invoiced netted of output tax, rebates and discounts. 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 advertising

- Revenue from advertising such as tied-in on movies and movies' media is recognised when the media is appeared first time.
- Revenue from producing all kinds of media is recognised when services are rendered as agreed with customers.

2 Accounting policies (Cont'd)

2.21 Revenue recognition (Cont'd)

Contract assets and contract liabilities

A contract asset is recognised where the Group recorded revenue for fulfilment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

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.

For each customer contract, contract liabilities is set off against contract assets.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. However, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The borrowing interest rates of the Group are partially floated. The Group does not use the interest rate derivative to manage exposure from fluctuation in interest rate.

3.1.2 Foreign exchange risk

The Group has significant exposure to foreign currency risk from purchase of film rights in various currencies. The Group does not use any derivative financial instruments to hedge foreign currency exposure.

3.1.3 Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with appropriate credit history. The management of the Group believes that the maximum exposure to credit risk is the carrying amount of the accounts receivable less allowance for doubtful accounts, as stated in the consolidated statement of financial position.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Fair value

The fair values of financial assets and liabilities with a maturity of less than one year are approximate their book values. Loans made with related parties carried an interest approximately at the market interest rate. Management believes that their net book values of such loans are assumed to be approximate to their fair value.

4 Critical accounting estimates, assumptions and judgements

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

(a) Impairment of Goodwill

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

Cash flows beyond the two-year period are extrapolated using the estimated growth rates stated in note 16. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

(b) Impairment of receivables

The Group maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is significantly impacted by the Group's assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default and consideration of market trends.

(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 was calculated from the selling price in the ordinary course of business, less the cost of completion and selling expenses. Furthermore, the calculation of the net realisable estimation was based on historical experience, management's knowledge of the industry and future market trends.

(d) Valuation of movies under production

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

(e) Building and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's plant and equipment and intangible assets. Management will revise the depreciation charge when useful lives and residual values are different to previous estimation, or will write off or write down technically obsolete or assets that have been abandoned or sold.

(f) Provision for goods returns

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

(g) Amortisation of film rights

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

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

(h) Defined 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 21.

5 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

6 Segment information

The Group's strategic steering committee, consisting of the board of directors, examines the Group's performance from group of product and has identified 3 reportable segments.

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

M Pictures Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

6 Segment information (Cont'd)

Financial information by business segments is as follows:

	Consolidated financial statements				Unit: Baht
	Film rights distribution	Film production and related	Sales of goods	Others	
For the year ended 31 December 2019					
Revenue					
Gross segment revenue	222,998,150	238,418,664	7,683,727	28,314,848	497,415,389
Inter - segment revenue	(25,153,159)	(840,144)	-	(16,117,500)	(42,110,803)
	<u>197,844,991</u>	<u>237,578,520</u>	<u>7,683,727</u>	<u>12,197,348</u>	<u>455,304,566</u>
Net revenue from third parties					
Timing of revenue recognition					
At a point in time	170,350,966	237,578,520	7,683,727	-	415,613,213
Over time	<u>27,494,025</u>	<u>-</u>	<u>-</u>	<u>12,197,348</u>	<u>39,691,373</u>
	<u>197,844,991</u>	<u>237,578,520</u>	<u>7,683,727</u>	<u>12,197,348</u>	<u>455,304,566</u>
Total revenue	<u>66,716,489</u>	<u>18,203,072</u>	<u>648,134</u>	<u>1,725,023</u>	<u>87,292,718</u>
Segment result					(31,362,807)
Unallocated costs					2,619,929
Other income					(2,446,727)
Finance costs					(28,131,441)
Share of profit of associate and joint ventures					
Profit before income tax					27,971,872
Income tax					(12,149,574)
Net loss for the year					<u>15,822,098</u>

M Pictures Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

6 Segment information (Cont'd)

Financial information by business segments is as follows: (Cont'd)

	Consolidated financial statements				Unit: Baht
	Film rights distribution	Film production and related	Sales of goods	Others	
For the year ended 31 December 2018					
Revenue					
Gross segment revenue	144,194,847	162,342,501	18,059,434	18,358,959	342,955,741
Inter - segment revenue	(6,741,843)	(545,206)	-	(2,265,000)	(9,552,049)
Net revenue from third parties	137,453,004	161,797,295	18,059,434	16,093,959	333,403,692
Timing of revenue recognition					
At a point in time	111,248,338	161,797,295	18,059,434	-	291,105,067
Over time	26,204,666	-	-	16,093,959	42,298,625
Total revenue	137,453,004	161,797,295	18,059,434	16,093,959	333,403,692
Segment result	31,279,170	(19,000,242)	(6,389,912)	(1,603,792)	4,285,224
Unallocated costs					(23,494,057)
Other income					16,375,578
Finance costs					(3,229,083)
Share of loss of associate and joint ventures					(6,242,197)
Loss before income tax					(12,304,535)
Income tax					(12,687,222)
Net loss for the year					(24,991,757)

M Pictures Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

7 Cash and cash equivalents

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	75,000	193,123	15,000	15,000
Deposits held at call with banks	97,690,360	42,252,954	5,206,646	827,035
Cash and cash equivalents	97,765,360	42,446,077	5,221,646	842,035

8 Trade and other receivables, net

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable				
- Third parties	115,409,482	60,693,639	-	35,000
- Related parties (Note 30)	20,308,017	3,228,497	1,102,100	-
Total trade accounts receivable	135,717,499	63,922,136	1,102,100	35,000
Accrued income				
- Third parties	18,600,972	136,961,221	-	-
- Related parties (Note 30)	6,333,451	9,137,427	-	-
Total accrued income	24,934,423	146,098,648	-	-
Total trade accounts receivable and accrued income	160,651,922	210,020,784	1,102,100	35,000
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade accounts receivable and accrued income, net	160,691,922	210,020,784	1,102,100	35,000
Amounts due from related parties	96,668	3,358,799	7,684,918	7,693,676
<u>Less</u> Allowance for doubtful accounts	-	-	(7,348,342)	(7,348,342)
Amounts due from related parties, net (Note 30)	96,668	3,358,799	336,576	345,334
Other account receivables	16,504,881	16,802,891	450,000	1,050,000
Prepaid expenses	13,588,393	25,317,883	547,379	4,746,774
Advances to employees for film production	-	-	-	-
Trade account and other receivables, net	190,841,864	255,500,357	2,436,055	6,177,108

In 2019, the Group had received payment from trade account receivables that was wrote off as bad debt of Baht 0.87 million and recognised this bad debt recovery in other income.

In 2019, prepaid expenses included prepaid expense from bartering with advertising services of Baht 9.41 million (In 2018: 16.39 million). The Group can utilise such services by offsetly with related prepaid expense ending April 2020.

M Pictures Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

8 Trade and other receivables, net (Cont'd)

Outstanding trade accounts receivable and accrued income as at 31 December can be analysed according to ages as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable				
Current	72,124,277	30,916,675	1,102,100	35,000
Over-due less than 3 months	46,968,060	31,054,488	-	-
Over-due 3 - 6 months	15,470,466	1,241,195	-	-
Over-due 6 - 12 months	477,153	668,044	-	-
Over-due over 12 months	677,543	41,734	-	-
Total trade accounts receivable	135,717,499	63,922,136	1,102,100	35,000
Accrued income	24,934,423	146,098,648	-	-
Total trade accounts receivable and accrued income	160,651,922	210,020,784	1,102,100	35,000
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade accounts receivable and accrued income, net	160,651,922	210,020,784	1,102,100	35,000

9 Inventories, net

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Finished goods	163,057	4,650,843	-	-
<u>Less</u> Allowance for obsolescence and diminution in value of inventories	(17,085)	(199,206)	-	-
Finished goods, net	145,972	4,451,637	-	-
Goods in transit	-	-	-	-
Inventories, net	145,972	4,451,637	-	-

Reversal of allowance for obsolescence and diminution in value of inventories was recognised in the consolidated statement of income amounting to Baht 0.18 million (2018: reverse allowance for obsolescence and diminution in value of inventories amounting to Baht 4.87 million).

10 Other current assets

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Undue input VAT	2,488,699	2,138,795	24,848	38,929
Others	42,561	515,758	-	-
Other current assets	2,531,260	2,654,553	24,848	38,929

11 Investments in subsidiaries, net

	Unit: Baht	
	Separate financial statements	
	2019	2018
Investment in subsidiaries	1,188,426,107	1,189,626,107
<u>Less</u> Allowance for impairment	(951,296,002)	(951,296,002)
Investment in subsidiaries, net	237,130,105	238,330,105

a) Movements of investments in subsidiaries

	Unit: Baht	
	Separate financial statements	
	2019	2018
Investment in subsidiaries		
Opening net book amount	238,330,105	560,830,105
Acquisition of investments	-	40
Disposal of a subsidiary	(1,200,000)	-
Allowance for impairment	-	(322,500,040)
Closing net book amount	237,130,105	238,330,105

Year 2019

Metacognitions Company Limited

The Board of Directors of M Pictures Entertainment Public Company Limited passed a resolution to disposal ordinary shares of Metacognitions Company Limited, subsidiary, totalling 12,000 shares representing to 60% of paid-up share capital amounting to Baht 1.2 million to third party. The Group entered into the agreement and received consideration on sales investment on 30 September 2019. The Group and the Company recognised gain on sales investment amounting to Baht 3,525 which is presented as other income in consolidated financial statements.

Details of disposal of Metacognitions Company Limited are as follow:

	Unit: Baht
	Consolidated financial information
Consideration received from disposal of Metacognitions Company Limited	
Cash and cash equivalent	1,200,000
<u>Less</u> carrying amount of net assets sold from parent's portion	(1,196,475)
Gain from disposal of Metacognitions Company Limited	3,525

11 Investments in subsidiaries, net (Cont'd)

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

The carrying amounts of assets and liabilities as at the date of disposal a subsidiary are as follows:

	Unit: Baht
Cash and cash equivalent	138,859
Trade account and other receivables	2,708,395
Inventories, net	1,487,271
Withholding tax deducted at sources	112,583
Other current assets	168,423
Buildings and equipment, net	631,650
Other non-current assets	102,000
Total assets	5,349,181
Trade account and other payables	(3,099,154)
Undue output VAT	(79,990)
Other current liabilities	(53,319)
Employee benefit obligations	(22,593)
Other non-current liabilities	(100,000)
Total liabilities	(3,355,056)
Net assets	1,994,125
Carrying amount of net assets sold from parent's portion	1,196,475

Subsidiary under M V D Company Limited

Pacific Media Sale Company Limited

The dissolution of Pacific Media Sale Company Limited had already been registered with the Ministry of Commerce on 12 October 2018 and the liquidation was completed on 14 November 2019. Accordingly, related allowance for impairment of Baht 92.99 million was reversed and adjusted out in November 2019.

Year 2018

As of 31 December 2018, the Company recognised fully impairment on investments in M V D Company Limited and M Talent Company Limited in statement of income, amount of Baht 322.50 million which was primarily due to the significant decrease in projected revenue arising from external factors as well as market situation and trend.

M Talent Company Limited

On 28 June 2018, Talent One Company Limited, a subsidiary, registered to change the Company's name with the Ministry of Commerce to "M Talent Company Limited".

At the Board of Directors Meeting held on 9 May 2018, the Board of Directors approved to acquire shares of M Talent Company Limited from minority shareholders in 39,998 shares totaling Baht 40. The acquisition resulted in the change in shareholding percentage from 90.00% to 99.99% of the issued share capital. The difference from additional investment of Baht 21,485,873 was recognised as "Change in parents' ownership interest in subsidiaries" and present under "Other components of equity" in equity of the consolidated financial information.

M Pictures Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

11 Investments in subsidiaries, net (Cont'd)

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

Subsidiaries	Nature of business	Nature of relationship	Country of Incorporation	% ownership interest of company/group		% ownership interest of non-controlling interest		Investment at cost method	
				2019	2018	2019	2018	2019	2018
				%	%	%	%	(Baht)	(Baht)
M Pictures Company Limited	Distribution of film rights for cinema, VCD/DVD production and TV broadcast	Shareholder	Thailand	99.99	99.99	0.01	0.01	369,997,760	369,997,760
M V D Company Limited	Distribution of VCD/DVD, Blu-ray and film rights	Shareholder	Thailand	99.99	99.99	0.01	0.01	720,983,507	720,983,507
M Thirty Nine Company Limited	Film production	Shareholder	Thailand	99.99	99.99	0.01	0.01	75,000,000	75,000,000
M Talent Company Limited	Film production, services for all forms of entertainment and sales of pocket books	Shareholder	Thailand	99.99	99.99	0.01	0.01	22,444,840	22,444,840
Metacognitions Company Limited	Media advertising agency	Shareholder	Thailand	-	60.00	-	40.00	-	1,200,000
Less: Allowance for impairment									1,188,426,107
Investments in subsidiaries, net									(951,296,002)
									237,130,105
									238,330,105

12 Investments in associate

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Investments in associate	41,032,778	10,464,611	3,457,300	-
<u>Less</u> Allowance for impairment	-	-	-	-
Investments in associate, net	41,032,778	10,464,611	3,457,300	-

a) Movement of investments in associate is as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Investments in associate				
Opening net book amount	10,464,611	-	-	-
Acquisition of investment	57,477,300	10,500,000	3,457,300	-
Returned of investment	(7,350,000)	-	-	-
Share of loss	(19,289,625)	(35,389)	-	-
Share of comprehensive loss	(269,508)	-	-	-
Closing net book amount	41,032,778	10,464,611	3,457,300	-

Year 2019

Addition of investment

M Pictures Entertainment Public Company Limited invested in associates as follows:

1. The Company invested in "M.P.I.C. (Cambodia) Distribution Co., Ltd.", on 28 August 2018, which the Company has percentage of interest 55% with respect to the joint venture agreement. The Company paid the investment amounting to Baht 3.45 million on 4 June 2019.

M Pictures Company Limited invested in associates as follows:

1. "Joint Venture THAT MARCH", which the Company has percentage of interest 14% 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", which the Company has percentage of interest 14% 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", which the Company has percentage of interest 39% 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", which the Company has percentage of interest 51% 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", which the Company has percentage of interest 70% with respect to the joint venture agreement. M Pictures Company Limited paid the investment amounting to Baht 13.30 million on 23 December 2019.

12 Investments in associate (Cont'd)

Return of investment

M Pictures Company Limited got returned 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.

Year 2018

Addition of investment

Joint Venture Sangkrasue

M Pictures Company Limited invested in "Joint Venture Sangkrasue", which the Company has percentage of interest 30% with respect to the joint venture agreement. M Pictures Company Limited paid the investment amounting to Baht 10.50 million on 27 July 2018.

M Pictures Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

12 Investments in associate (Cont'd)

b) The details of investments in associates

Associates		Corporated country	Business	Nature of relationship	% of ownership interest		Consolidated financial statements		Separate financial statements		Unit: Baht
					2019	2018	Investment at equity method	2019	Investment at cost method	2018	
Associate under M Pictures Entertainment Public Company Limited											
M.P.I.C. (Cambodia) Distribution Co.,Ltd.		Cambodia	Distribution of film rights	Direct shareholder	55.00	-	-	6,159,480	-	3,457,300	-
Associate under M Pictures Company Limited											
Joint venture Sangkrasue		Thailand	Film production	Indirect shareholder	30.00	30.00	-	5,069,364	10,464,611	-	-
Joint venture Khun Phaen Fah Feun		Thailand	Film production	Indirect shareholder	51.00	-	-	5,635,721	-	-	-
Joint venture THAT MARCH		Thailand	Film production	Indirect shareholder	14.00	-	-	29,839	-	-	-
Joint venture OUR LOVE FOREVER		Thailand	Film production	Indirect shareholder	14.00	-	-	1,149,320	-	-	-
Joint venture CLASSIC AGAIN		Thailand	Film production	Indirect shareholder	39.00	-	-	9,770,685	-	-	-
Joint venture Keun Yutitham		Thailand	Film production	Indirect shareholder	70.00	-	-	13,221,369	-	-	-
Total Investment in associates							41,032,778	10,464,611	3,457,300		

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 on contractual terms.

The Group has no contingency related to ownership interest in associates.

12 Investment in associate (Cont'd)

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

Summarised financial information for associates

The table below is summarised of financial information for associate that performance is material to the Group. The financial information is included in associates own financial statements which has been adjusted with the adjustments necessary for the equity method including, adjusting fair value and differences in accounting policy.

	Unit: Baht	
	Joint venture Khun Phaen Fah Feun	
	2019	2018
Summarised of performance		
Revenue	23,618,901	-
Loss from continuing operations	(35,949,566)	-
Summarised of statement of financial position		
Current assets	15,523,116	-
Non-current assets	4,436,000	-
Current liabilities	(8,908,683)	-
Net assets	11,050,433	-
Group's share in associates (%)	51.00%	-
Associates carrying amount	5,635,721	-

The table below is the carrying amount of its interests, in aggregate, all individually immaterial associates that are accounted for using equity method.

	Unit: Baht	
	2019	2018
Aggregate carrying amount of individually immaterial joint ventures		
The Group's share of:		
Loss from continuing operations	(1,224,854)	(35,389)
Total comprehensive loss	(1,224,854)	(35,389)

13 Joint Arrangement

a) Investment in joint operation

Investment in joint operation under M Pictures Company Limited

Joint operation	Business	Nature of relationship	Country of incorporation	% of ownership interest		Investment at cost method	
				2019 %	2018 %	2019 (Baht)	2018 (Baht)
Joint Venture Hug Terd Tueng	Film production	Indirect shareholder	Thailand	55.00	-	9,900,000	-
Investment in Joint operation						9,900,000	-

Investment in joint operation under M Thirty Nine Company Limited

Joint operation	Business	Nature of relationship	Country of incorporation	% of ownership interest		Investment at cost method	
				2019 %	2018 %	2019 (Baht)	2018 (Baht)
Joint Venture Bikeman	Film production	Indirect shareholder	Thailand	70.00	70.00	350,000	8,750,000
Joint Venture Gang Tann Zine and Laan25 Naa24	Film production	Indirect shareholder	Thailand	70.00	-	35,000,000	-
Joint Venture Bikeman 2	Film production	Indirect shareholder	Thailand	55.00	-	13,750,000	-
Joint Venture Sam Gler Hua Kaeng and Juad Kathoei Bung Fai	Film production	Indirect shareholder	Thailand	70.00	-	16,450,000	-
Investment in Joint operation						65,550,000	8,750,000

The Group holds 55.00%-70.00% of the voting right in Joint venture Bikeman, Joint venture Gang Tann Zine and Laan 25 Naa 24, Joint venture Bikeman2 and Joint venture Sam Gler Hua Kaeng and Juad Kathoei Bung Fai. However, the Group concluded that it has joint control over the joint arrangement under the contractual agreement which requires unanimous consent from all parties to the agreement. The Group and counterparties to the agreement also, has rights to the net assets of the joint arrangements.

Year 2019

Addition of investment

M Pictures Company Limited invested in joint operation as follows :

- "Joint Venture Hug Terd Tueng", which the Company has percentage of interest 55% with respect to the joint venture agreement. M Pictures Company Limited paid the investment amounting to Baht 9.90 million on 8 October 2019

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

- "Joint Venture Gang Tann Zine and Laan25 Naa24", which the Company has percentage of interest 70% with respect to the joint venture agreement. M Thirty Nine Company Limited paid the investment amounting to Baht 35.00 million on 22 March 2019, 22 May 2019, 24 June 2019 and 22 July 2019.
- "Joint Venture Bikeman 2", which the Company has percentage of interest 55% 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.
- "Joint Venture Sam Gler Hua Kaeng and Juad Kathoei Bung Fai", which the Company has percentage of interest 70% 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

Returned of investment

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

13 Joint Arrangement (Cont'd)

a) Investment in joint operation (Cont'd)

Year 2018

Additional of investment

Joint Venture Bikeman

M Thirty Nine Company Limited investment in "Joint Venture Bikeman" on 16 July 2018. Joint Venture Bikeman is a joint arrangement, being categorized as a joint operation, which the Company has percentage of interest 70% with respect to the joint agreement.

Returned of investment

M Thirty Nine Company Limited got returned of investment from "Joint Venture Bikeman" amounting to Baht 8.75 million 19 December 2018.

b) Investments in joint ventures, net

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Investments in joint ventures	64,160,339	71,941,795	122,074,049	120,770,049
<u>Less</u> Allowance for impairment	-	-	(57,770,049)	(49,792,975)
Investments in joint ventures, net	64,160,339	71,941,795	64,304,000	70,977,074

Movements of investments in joint ventures are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Investments in joint ventures				
Opening net book amount	71,941,795	34,171,149	70,977,074	36,313,173
Acquisition of investment	1,304,000	43,999,980	1,304,000	43,999,980
Share of loss of investments in joint ventures	(8,841,816)	(6,206,808)	-	-
Share of comprehensive income	(243,640)	(22,526)	-	-
Allowance for impairment	-	-	(7,977,074)	(9,336,079)
Closing net book amount	64,160,339	71,941,795	64,304,000	70,977,074

Year 2019

Addition of investment

The Company 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.

13 Joint Arrangement (Cont'd)

b) Investments in joint ventures, net (Cont'd)

Year 2018

Addition of investment

Transformation Films Company Limited

The Board of Directors of Transformation films Company Limited held on 10 July 2018 approved an increase in registered share capital of Transformation films Company Limited from the registered 1,750,000 ordinary shares with a par value of Baht 100 per share to 2,450,000 shares with a par value of Baht 100 per share. The company paid-up for ordinary shares in 350,000 share, totaling Baht 35,000,000. As a result, the interest hold increases to 34.69% of the issued share capital. Transformation films Company Limited registered the additional paid-up of shares with the Ministry of commerce on 23 July 2018.

Major Kantana Broadcasting Company Limited

The Board of Directors held on 8 August 2018 approved to additional invest in an increase in registered share capital of Major Kantana Broadcasting Company Limited according to the proportion of existing shareholders in 899,998 shares with a par value of Baht 10 per share. The company paid-up for ordinary shares totaling Baht 8,999,980. Major Kantana Broadcasting Company Limited registered the additional paid-up of shares with the Ministry of commerce on 29 August 2018.

13 Joint Arrangement (Cont'd)

b) Investments in joint ventures, net (Cont'd)

The details of investments jointly controlled entities are as follows:

Jointly controlled entities	Business	Nature of relationship	Country of Incorporation	Ownership Interest		Consolidated financial statements		Separate financial statements	
				2019 (%)	2018 (%)	Equity method	Cost Method	2019 (Baht)	2018 (Baht)
Major Kantana Broadcasting Company Limited	Satellite broadcasting and distribution of film rights	Shareholder	Thailand	44.99	44.99	28,809,670	35,540,502	33,994,723	33,994,723
Transformation Films Company Limited	Film production, advertising, TV broadcasting and services for all forms of entertainment	Shareholder	Thailand	34.69	34.69	33,578,012	36,401,293	85,000,000	85,000,000
MVP M-Pictures Film Distribution (Lao) Co., Ltd.	Distribution of film rights for cinema, VCD/DVD production and TV broadcast	Shareholder	Lao	40.00	40.00	1,772,657	-	3,079,326	1,775,326
Less: Allowance for impairment						64,160,339	71,941,795	122,074,049	120,770,049
Investments in joint ventures, net						-	-	(57,770,049)	(49,792,975)
						64,160,339	71,941,795	64,304,000	70,977,074

All holdings are investment in ordinary shares.

13 Joint Arrangement (Cont'd)

b) Investments in joint ventures, net (Cont'd)

Summarised financial information for joint ventures

The table below is summarised of financial information for associates that are material to the Group. The financial information is included in associates own financial statements which has been adjusted with the adjustments necessary for the equity method including, adjusting fair value and differences in accounting policy.

Summarised statement of comprehensive income

	Unit: Baht			
	Transformation Films Company Limited		Major Kantana Broadcasting Company Limited	
	2019	2018	2019	2018
Revenue	79,901,462	12,318,786	165,210,982	215,651,772
Cost	(59,529,182)	(11,891,521)	(170,927,195)	(181,377,546)
Other revenue	38,806	502,454	6,914,821	5,281,049
Share of profit of investments in joint ventures	(3,247,095)	(55,934)	5,883,921	10,333,578
Interest income	87,291	83,526	1,294	111,253
Selling and administration expense	(25,253,886)	(26,557,352)	(18,759,352)	(41,389,479)
Depreciation and amortisation	(86,946)	(145,754)	(1,895,079)	(2,353,814)
Interest expense	-	(117,184)	(804,230)	(734,123)
Profit or loss from continuing operations	(8,089,550)	(25,862,979)	(14,374,838)	5,522,690
Income tax expense	-	-	(480,560)	(521,126)
Post-tax profit or loss from continuing operations	(8,089,550)	(25,862,979)	(14,855,398)	5,001,564
Other comprehensive income	(49,052)	156,786	(102,035)	(353,516)
Total comprehensive income	(8,138,602)	(25,706,193)	(14,957,433)	4,648,048

13 Joint Arrangement (Cont'd)

b) Investments in joint ventures, net (Cont'd)

Summarised statement of financial position

	Unit: Baht			
	Transformation Films Company Limited		Major Kantana Broadcasting Company Limited	
	2019	2018	2019	2018
Current assets				
Cash and cash equivalents	16,070,002	30,055,961	17,216,678	20,099,948
Other current assets (excluding cash)	149,244,558	45,316,789	104,442,727	110,835,663
Total current assets	165,314,560	75,372,750	121,659,405	130,935,611
Non-current assets	16,840,241	14,868,427	71,708,454	94,780,456
Current liabilities				
Financial liabilities (excluding trade payables)	183,500	-	2,000,000	9,984,208
Other current liabilities (including trade payables)	110,829,368	11,199,473	124,140,631	134,089,869
Total current liabilities	111,012,868	11,199,473	126,140,631	144,074,077
Non-current liabilities				
Other non-current liabilities	872,654	633,823	3,205,597	2,662,926
Total non-current liabilities	872,654	633,823	3,205,597	2,662,926
Net assets	70,269,279	78,407,881	64,021,631	78,979,064

13 Joint Arrangement (Cont'd)

b) Investments in joint ventures, net (Cont'd)

Summarised statement of financial position (Cont'd)

Reconciliation of summarised financial information

	Unit: Baht			
	Transformation Films Company Limited		Major Kantana Broadcasting Company Limited	
	2019	2018	2019	2018
Opening net assets	78,407,881	34,114,074	78,979,064	54,331,016
Acquisition	-	70,000,000	-	20,000,000
Profit (loss) for the period	(8,089,550)	(25,862,979)	(14,855,398)	5,001,564
Other comprehensive income	(49,052)	156,786	(102,035)	(353,516)
Closing net assets	70,269,279	78,407,881	64,021,631	78,979,064
Interest in joint venture (34.69% and 44.99%)	24,376,413	27,199,694	28,809,670	35,540,500
Effect from change of percentage of ownership interest	9,201,599	9,201,599	-	-
Carrying value	33,578,012	36,401,293	28,809,670	35,540,500

Individually immaterial joint venture

In addition to the interests in joint ventures disclosed above, the Group also has interests in one individually immaterial joint venture that is accounted for using the equity method.

	Unit: Baht	
	2019	2018
Aggregate carrying amount of individually immaterial joint venture		
Aggregate amounts of the reporting entity's share of:		
Profit/(loss) from continuing activities	649,365	(58,023)
Other comprehensive income	(180,708)	82,167
Total comprehensive income	468,657	24,144

14 Other long-term investment, net

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Other long-term investment - Future Biz Co., Ltd.	-	8,500,000	-	8,500,000
Less Allowance for impairment	-	(8,500,000)	-	(8,500,000)
Other long-term investment, net	-	-	-	-

M Pictures Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

15 Buildings and equipment, net

	Unit: Baht			
	Consolidated financial statements			
	Buildings and building improvements	Office equipment	Motor vehicles	Total
At 1 January 2018				
Cost	20,605,320	33,941,137	1,602,860	56,149,317
<u>Less</u> Accumulated depreciation	(14,895,202)	(27,965,916)	(1,602,858)	(44,463,976)
Allowance for impairment	-	(294,029)	-	(294,029)
Net book value	5,710,118	5,681,192	2	11,391,312
For the year ended 31 December 2018				
Opening net book value	5,710,118	5,681,192	2	11,391,312
Additions	131,540	525,408	-	656,948
Disposals, net	-	(1,197,658)	(2)	(1,197,660)
Write-offs, net	(3,284,456)	(3,220)	-	(3,287,676)
Depreciation charge (Note 26)	(1,019,820)	(2,158,466)	-	(3,178,286)
Closing net book value	1,537,382	2,847,256	-	4,384,638
At 31 December 2018				
Cost	10,704,330	24,069,913	-	34,774,243
<u>Less</u> Accumulated depreciation	(9,166,948)	(20,928,628)	-	(30,095,576)
Allowance for impairment	-	(294,029)	-	(294,029)
Net book value	1,537,382	2,847,256	-	4,384,638
For the year ended 31 December 2019				
Opening net book value	1,537,382	2,847,256	-	4,384,638
Additions	-	684,097	-	684,097
Disposals, net	-	(631,650)	-	(631,650)
Write-offs, net	-	(136,978)	-	(136,978)
Depreciation charge (Note 26)	(492,092)	(1,622,575)	-	(2,114,667)
Closing net book value	1,045,290	1,140,150	-	2,185,440
At 31 December 2019				
Cost	10,704,330	22,899,594	-	33,603,924
<u>Less</u> Accumulated depreciation	(9,659,040)	(21,465,415)	-	(31,124,455)
Allowance for impairment	-	(294,029)	-	(294,029)
Net book value	1,045,290	1,140,150	-	2,185,440

15 Buildings and equipment, net (Cont'd)

	Unit: Baht		
	Separate financial statements		
	Buildings and building improvements	Office equipment	Total
At 1 January 2018			
Cost	10,572,790	9,391,939	19,964,729
<u>Less</u> Accumulated depreciation	(8,683,383)	(6,815,749)	(15,499,132)
Net book value	1,889,407	2,576,190	4,465,597
For the year ended 31 December 2018			
Opening net book value	1,889,407	2,576,190	4,465,597
Additions	131,540	246,977	378,517
Depreciation charge (Note 26)	(483,565)	(1,218,980)	(1,702,545)
Closing net book value	1,537,382	1,604,187	3,141,569
At 31 December 2018			
Cost	10,704,330	9,638,916	20,343,246
<u>Less</u> Accumulated depreciation	(9,166,948)	(8,034,729)	(17,201,677)
Net book value	1,537,382	1,604,187	3,141,569
For the year ended 31 December 2019			
Opening net book value	1,537,382	1,604,187	3,141,569
Write-offs, net	-	(136,978)	(136,978)
Depreciation charge (Note 26)	(492,092)	(1,062,197)	(1,554,289)
Closing net book value	1,045,290	405,012	1,450,302
At 31 December 2019			
Cost	10,704,330	8,890,466	19,594,796
<u>Less</u> Accumulated depreciation	(9,659,040)	(8,485,454)	(18,144,494)
Net book value	1,045,290	405,012	1,450,302

Leased assets associated with copy machines included above, where the Group and the Company is a lessee under finance lease contract, are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost - capitalised finance leases	748,450	748,450	748,450	748,450
<u>Less</u> Accumulated depreciation	(748,450)	(537,243)	(748,450)	(537,243)
Net book value	-	211,207	-	211,207

16 Intangible assets, net

	Consolidated financial statements			Unit: Baht Separate financial statements
	Goodwill	Computer program	Film rights	Computer program and film rights
At 1 January 2018				
Cost	439,069,516	5,757,575	1,569,084,583	3,756,634
<u>Less</u> Accumulated amortisation	-	(4,315,200)	(1,486,935,251)	(2,141,889)
Accumulated allowance for impairment	(299,927,010)	(1,021,060)	(27,996,268)	(1,271,060)
Net book value	139,142,506	421,315	54,153,064	343,685
For the year ended 31 December 2018				
Opening net book value	139,142,506	421,315	54,153,064	343,685
Additions	-	498,600	29,436,069	23,600
Transfer in	-	-	149,003,638	-
Disposals, net	-	(20,171)	-	-
Write-off, net (Note 26)	-	(27,650)	(12,179,561)	(250,000)
Amortisation (Note 26)	-	(157,539)	(172,157,289)	(134,843)
Reversal of impairment (Note 26)	-	-	9,129,042	250,000
Closing net book value	139,142,506	714,555	57,384,963	232,442
At 31 December 2018				
Cost	439,069,516	5,960,039	1,543,976,111	3,530,234
<u>Less</u> Accumulated amortisation	-	(4,224,424)	(1,467,723,922)	(2,276,732)
Accumulated allowance for impairment	(299,927,010)	(1,021,060)	(18,867,226)	(1,021,060)
Net book value	139,142,506	714,555	57,384,963	232,442
For the year ended 31 December 2019				
Opening net book value	139,142,506	714,555	57,384,963	232,442
Additions	-	-	6,187,434	-
Transfer in	-	-	223,141,209	-
Write-off, net (Note 26)	-	-	(5,109,130)	-
Amortisation (Note 26)	-	(218,719)	(247,328,252)	(118,380)
Reversal of impairment (Note 26)	-	-	5,157,737	-
Closing net book value	139,142,506	495,836	39,433,961	114,062
At 31 December 2019				
Cost	439,069,516	5,960,039	1,395,234,471	3,530,234
<u>Less</u> Accumulated amortisation	(299,927,010)	(4,443,143)	(1,342,091,021)	(2,395,112)
Accumulated allowance for impairment	-	(1,021,060)	(13,709,489)	(1,021,060)
Net book value	139,142,506	495,836	39,433,961	114,062

Goodwill

The carrying amount of the segment has been reduced to its recoverable amount through recognition of an impairment loss against goodwill. This loss has been included in statement of income in the year that incur.

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

16 Intangible assets, net (Cont'd)

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

	Consolidated financial statements				2018			
	2019				2018			
	M Pictures Company Limited Baht	MVD Company Limited Baht	M Talent Company Limited Baht	Total Baht	M Pictures Company Limited Baht	MVD Company Limited Baht	M Talent Company Limited Baht	Total Baht
Goodwill allocation Cost	165,967,777	269,397,064	3,704,675	439,069,516	165,967,777	269,397,064	3,704,675	439,069,516
Less: Provision for impairment	(26,825,271)	(269,397,064)	(3,704,675)	(299,927,010)	(26,825,271)	(269,397,064)	(3,704,675)	(299,927,010)
Goodwill, net	139,142,506	-	-	139,142,506	139,142,506	-	-	139,142,506

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 2-year period. Cash flows beyond the 2-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

	M Pictures Company Limited
Gross margin of M Pictures Company Limited ¹	67.00 - 81.00%
Gross margin of joint ventures under M Pictures Company Limited ¹	33.00 - 34.00%
Growth rate ²	0.30%
Discount rate ³	9.20%

¹ Budgeted gross margin.

² Weighted average growth rate used to extrapolate cash flows beyond the budget period.

³ Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Amortisation recognised in profit and loss that are related to intangible assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost of goods sold	247,328,252	172,157,289	-	-
Selling expense	-	-	-	-
Administrative expense	218,719	157,539	118,380	134,843

17 Deferred income taxes

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	12,783,428	6,258,984	745,816	997,172
Deferred tax assets to be recovered after more than 12 months	8,997,227	10,842,181	1,570,738	1,489,937
Deferred tax, net	21,780,655	17,101,165	2,316,554	2,487,109

- b) The movement on deferred tax during the year are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
At 1 January	17,101,165	13,731,833	2,487,109	2,766,589
Charged to profit or loss	4,632,812	3,147,505	(184,333)	(460,255)
Tax charged/(credit) relation to components of other comprehensive income	46,678	221,827	13,778	180,775
At 31 December	21,780,655	17,101,165	2,316,554	2,487,109

- c) The movement in deferred tax assets and deferred tax liabilities during the year is as follows:

	Unit: Baht			
	Consolidated financial statements			31 December 2019
	1 January 2019	Increase (decrease) in profit or loss	Increase (decrease) in profit or loss in other comprehensive income	
Deferred income tax assets				
Tax losses carried forward	1,840,336	(101,081)	-	1,739,255
Investment in associates at equity method	-	4,831,024	-	4,831,024
Depreciation of building improvements	12,329	(5,896)	-	6,433
Amortisation of film rights	14,426,207	(98,726)	-	14,327,481
Employee benefits	822,293	7,491	46,678	876,462
Total	17,101,165	4,632,812	46,678	21,780,655
Deferred income tax, net	17,101,165	4,632,812	46,678	21,780,655

17 Deferred income taxes (Cont'd)

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

	Unit: Baht			
	Consolidated financial statements			
	1 January 2018	Increase (decrease) in profit or loss	Increase (decrease) in profit or loss in other comprehensive income	31 December 2018
Deferred income tax assets				
Tax losses carried forward	2,302,711	(462,375)	-	1,840,336
Depreciation of building improvements	24,542	(12,213)	-	12,329
Amortisation of film rights	10,899,336	3,526,871	-	14,426,207
Employee benefits	505,244	95,222	221,827	822,293
Total	13,731,833	3,147,505	221,827	17,101,165
Deferred income tax, net	13,731,833	3,147,505	221,827	17,101,165
	Unit: Baht			
	Separate financial statements			
	1 January 2019	Increase (decrease) in profit or loss	Increase (decrease) in profit or loss in other comprehensive income	31 December 2019
Deferred income tax assets				
Tax losses carried forward	1,840,336	(101,081)	-	1,739,255
Depreciation of building improvements	12,329	(5,896)	-	6,433
Amortisation of film rights	-	-	-	-
Employee benefits	634,444	(77,356)	13,788	570,866
Total	2,487,109	(184,333)	13,788	2,316,554
Deferred income tax, net	2,487,109	(184,333)	13,788	2,316,554
	Unit: Baht			
	Separate financial statements			
	1 January 2018	Increase (decrease) in profit or loss	Increase (decrease) in profit or loss in other comprehensive income	31 December 2018
Deferred income tax assets				
Tax losses carried forward	2,302,711	(462,375)	-	1,840,336
Depreciation of building improvements	24,542	(12,213)	-	12,329
Amortisation of film rights	-	-	-	-
Employee benefits	439,336	14,333	180,775	634,444
Total	2,766,589	(460,255)	180,775	2,487,109
Deferred income tax, net	2,766,589	(460,255)	180,775	2,487,109

17 Deferred income taxes (Cont'd)

- c) The movement in deferred tax assets and deferred tax liabilities during the year is as follows: (Cont'd)

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable.

The Group did not recognise deferred income tax assets of some of its subsidiaries since the Group's management evaluates by applying the concept of conservatism that the subsidiaries may not generate enough taxable profit to utilise those differences. The temporary differences arise from allowance for doubtful accounts, allowance for obsolescence, allowance for diminution in value of inventories, allowance for impairment of film rights, employee benefits obligation, share-based payment and tax losses carried forward. As at 31 December 2019, the Group did not recognise deferred income tax assets of Baht 106.10 million in respect of tax losses carried forward approximately Baht 530.51 million. A summary of the tax losses carried forward and the expiry dates are set out below.

	Consolidated financial statements Baht Million	Separate financial statements Baht Million
Expiry year		
2020	61.64	-
2021	157.23	75.34
2022	159.29	-
2023	33.48	-
2024	118.87	-
	<u>530.51</u>	<u>75.34</u>

Such the tax losses carried forward are mainly from M V D Company Limited, M Thirty Nine Company Limited and M Talent Company Limited in which the Group's management do not expect to have sufficient taxable profit to utilise these tax losses in the near future.

18 Other non-current assets, net

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Guarantees on buildings rental and others	1,957,842	2,061,063	1,263,815	1,263,815
Other non-current assets, net	<u>1,957,842</u>	<u>2,061,063</u>	<u>1,263,815</u>	<u>1,263,815</u>

19 Borrowings

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current				
Bank overdrafts	-	4,992,753	-	-
Short-term borrowings from financial institutions	22,000,000	15,000,000	-	-
Total bank overdrafts and short-term borrowings from financial institutions	22,000,000	19,992,753	-	-
Total borrowings from financial institutions	22,000,000	19,992,753	-	-

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank overdrafts	-	7.12%	-	-
Bank promissory notes	3.65%	2.38%	-	-

The movements in financial institutions borrowings (exclude bank overdrafts) can be analysed as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Opening balance	15,000,000	60,000,000	-	-
Additions	72,000,000	100,000,000	-	-
Repayments made during the year	(65,000,000)	(145,000,000)	-	-
Closing balance	22,000,000	15,000,000	-	-

As at 31 December 2019, the Group had promissory notes from financial institution, guarantee given by ultimate parent company, denominated in Thai Baht of Baht 22 million.

Borrowing facilities

As at 31 December 2019, the Group had the available credit facilities of Baht 229.50 million (2018: Baht 431.51 million). Borrowing facilities are mainly for the purpose of acquisitions of film rights, film productions and working capital.

20 Trade and other payables

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts payable	130,414,247	210,622,626	-	-
Amounts due to related parties (Note 30)	31,086,482	32,463,448	1,235,583	1,126,747
Other payables	5,057,243	13,207,104	1,413,980	1,258,793
Accrued expenses	8,846,459	11,644,969	1,757,335	1,810,430
Trade accounts and other payables	<u>175,404,431</u>	<u>267,938,147</u>	<u>4,406,898</u>	<u>4,195,970</u>

21 Employee benefit obligations

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Statement of financial position:				
Retirement benefits				
- Retirement benefit by law	3,939,206	4,549,878	2,550,496	2,848,505
- Post-employment benefit	327,842	459,927	273,636	299,351
	<u>4,267,048</u>	<u>5,009,805</u>	<u>2,824,132</u>	<u>3,147,856</u>
Other long term benefit	115,264	111,879	30,197	24,365
Liability in the statement of financial position	<u>4,382,312</u>	<u>5,121,684</u>	<u>2,854,329</u>	<u>3,172,221</u>
Profit or loss charge included in operating profit for:				
Retirement benefits				
- Retirement benefit by law	309,988	(802,487)	769,845	378,038
- Post-employment benefit	(42,542)	459,927	62,885	299,351
	<u>267,446</u>	<u>(342,560)</u>	<u>832,730</u>	<u>677,389</u>
Other long term benefit	7,732	111,879	5,833	24,365
	<u>275,178</u>	<u>(230,681)</u>	<u>838,563</u>	<u>701,754</u>
Remeasurement for:				
Retirement benefits				
- Retirement benefit by law	233,386	1,046,136	68,888	903,877
- Post-employment benefit	12,250	-	5,233	-
	<u>245,636</u>	<u>1,046,136</u>	<u>74,121</u>	<u>903,877</u>
Other long term benefit	2,843	-	908	-
	<u>248,479</u>	<u>1,046,136</u>	<u>75,029</u>	<u>903,877</u>

20 Employee benefit obligations (Cont'd)

Retirement benefits

The plans are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

For the year ended 31 December 2018, the Group has new retirement benefits which is Post-employment Benefit Plan (PEB) that provide 3 Baht of gold for all employees of the Group who render service till the retirement age.

Other long term benefit

For the year ended 31 December 2018, the Group has new other long term benefit which is Long Service Award Plan (LSA) that provide gold equivalent to 15,000 Baht for any employees of the Group who have their year of service equals to 10 years.

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

Retirement benefits:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
At 1 January	5,009,805	4,936,321	3,147,856	2,196,682
Current service cost	715,880	659,038	463,965	188,261
Past service cost	(565,143)	(1,103,074)	297,191	449,832
Interest cost	104,459	101,476	66,342	39,296
Benefit paid	(1,225,343)	(630,092)	(1,225,343)	(630,092)
Decreasing from disposal of a subsidiary	(18,246)	-	-	-
Loss from change in demographic assumptions	-	62,627	-	33,935
Loss(gain) from change in financial assumptions	245,636	(8,812)	74,121	4,655
Experience loss	-	992,321	-	865,287
At 31 December	4,267,048	5,009,805	2,824,132	3,147,856

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Retirement benefits:				
Retirement benefit by law				
Discount rate	1.38%	2.14%	1.32%	1.94%
Future salary increases rates	3.50% - 9.00%	3.50% - 9.00%	3.50% - 9.00%	3.50% - 9.00%
Turnover rates	0.00% - 37.00%	0.00% - 37.00%	0.00% - 37.00%	0.00% - 37.00%
Post-Employment benefit				
Discount rates	1.44%	2.00%	1.34%	1.89%
Turnover rates	0.00% - 37.00%	0.00% - 37.00%	0.00% - 37.00%	0.00% - 37.00%
Gold price	20,000 Baht/ 1 Baht (Gold)	20,000 Baht/ 1 Baht (Gold)	20,000 Baht/ 1 Baht (Gold)	20,000 Baht/ 1 Baht (Gold)
Gold price increasing rate	3.50%	3.50%	3.50%	3.50%

21 Employee benefit obligations (Cont'd)

Sensitivity analysis for each significant assumption disclosed

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018	2019	2018
Retirement benefits:						
Retirement benefit by law						
Discount rate	0.50%	0.50%	Decrease by 2.19%	Decrease by 2.19%	Increase by 2.30%	Increase by 2.30%
Salary growth rates	0.50%	0.50%	Increase by 2.23%	Increase by 2.23%	Decrease by 2.14%	Decrease by 2.14%
Turnover rates	10.00%	10.00%	Decrease by 5.65%	Decrease by 5.65%	Increase by 6.71%	Increase by 6.71%
Mortality improvement rates	0.50%	0.50%	Decrease by 0.01%	Decrease by 0.01%	Increase by 0.01%	Increase by 0.01%
Post-employment benefit						
Discount rate	0.50%	0.50%	Decrease by 1.56%	Decrease by 1.56%	Increase by 1.64%	Increase by 1.64%
Gold price increasing rate	0.50%	0.50%	Increase by 1.61%	Increase by 1.61%	Decrease by 1.55%	Decrease by 1.55%
Turnover rates	10.00%	10.00%	Decrease by 3.74%	Decrease by 3.74%	Increase by 4.47%	Increase by 4.47%
Mortality improvement rates	0.50%	0.50%	Decrease by 0.01%	Decrease by 0.01%	Increase by 0.01%	Increase by 0.01%

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 liabilities 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.

Expected maturity analysis of undiscounted retirement benefit by law and post-employment.

	Unit : Baht				
	Consolidated financial statement				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
At 31 December 2019					
Retirement benefits:					
Retirement benefit by law	-	1,059,691	424,016	6,201,164	7,684,871
Post-employment benefit	-	63,581	35,080	326,795	425,456
At 31 December 2018					
Retirement benefits:					
Retirement benefit by law	2,278,283	-	2,246,125	6,047,281	10,571,689
Post-employment benefit	360,452	-	134,704	377,071	872,227
	Unit : Baht				
	Separate financial statement				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
At 31 December 2019					
Retirement benefits:					
Retirement benefit by law	-	1,059,691	424,016	1,928,828	3,412,535
Post-employment benefit	-	63,581	35,080	127,970	226,631
At 31 December 2018					
Retirement benefits:					
Retirement benefit by law	1,745,491	-	1,483,708	1,818,221	5,047,420
Post-employment benefit	246,554	-	98,661	127,970	473,185

22 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
At 1 January 2018	1,315,337,205	1,300,119,176	1,300,119,176	453,981,276
Decrease of authorised shares	(2,220,029)	-	-	-
Increase of authorised shares	-	-	-	-
Warrant exercised	-	-	-	-
At 31 December 2018	1,313,117,176	1,300,119,176	1,300,119,176	453,981,276
Shares reduction by decreasing in par value	-	-	(650,059,588)	-
Distributions to deficits	-	-	-	(321,368,974)
At 31 December 2019	1,313,117,176	1,300,119,176	650,059,588	132,612,302

On 9 January 2019, the Extraordinary General Meeting of Shareholders 1/2019 approved the transfer of legal reserves of Baht 3,813,156 and share premium of Baht 321,368,974 to offset the Company's deficits and also approved par value adjustment of ordinary shares from Baht 1.00 each to Baht 0.50 each. These will affect a decreasing in registered share capital from Baht 1,313,117,176 to Baht 656,558,588 and a decreasing in paid-up share capital from Baht 1,300,119,176 to Baht 650,059,588. The Company then transferred surplus from share reduction of Baht 262,223,893 to offset with the residual deficit.

The total numbers of authorised ordinary shares are 1,313.11 million shares (2018: 1,313.11 million shares) with a par value of Baht 0.50 per share (2018: Baht 1 per share).

23 Share-based payment

Share option schemes

The Company has introduced one share option which is an equity-settled scheme.

The exercise ratio and price are detailed below.

	Issued 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

The Company issued and offered warrants (ESOP#2) to directors and to selected employees of the Company and its subsidiaries, which are in registered form and are non-transferable. The warrants have no offered price and their terms do not exceed 5 years from the issued date (the issued date is 24 April 2015) at a maximum of 12,998,000 units. The exercise price is at Baht 1.84 per share. The exercise ratio is one warrant to one ordinary share. The warrants can be exercised after 2 years from the date of issuance. The Company has no legal obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Consolidated financial statements		Separate financial statements	
	Average exercise price Baht per share	Option	Average exercise price Baht per share	Option
At 1 January 2018	1.84	8,058,760	1.84	8,058,760
Forfeited	-	(2,729,580)	-	(2,729,580)
At 31 December 2018	1.84	5,329,180	1.84	5,329,180

23 Share-based payment (Cont'd)

Share option schemes (Cont'd)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows (Cont'd)

	Consolidated financial statements		Separate financial statements	
	Average exercise price Baht per share	Option	Average exercise price Baht per share	Option
At 1 January 2019	1.84	5,329,180	1.84	5,329,180
Forfeited	-	(1,039,840)	-	(1,039,840)
At 31 December 2019	1.84	4,289,340	1.84	4,289,340

During 2019, no options of warrants (ESOP#2) has been exercised and 1,039,840 options have been forfeited (2018: no options of warrants (ESOP#2) has been exercised and 2,729,580 options have been forfeited).

As at 31 December 2019, the Company had 4,289,340 outstanding options (2018: 5,329,180 options).

Share options outstanding at the end of the period have the following expiry date and exercise price:

	Consolidated financial statements		Separate financial statements	
	Average exercise price Baht per share	Shares	Average exercise price Baht per share	shares
MPIC-ESOP#2 Expired date: 23 April 2020				
31 December 2018	1.84	5,329,180	1.84	5,329,180
31 December 2019	1.84	4,289,340	1.84	4,289,340

During the year ended 31 December 2019, there is no change in the condition of warrants (MPIC-ESOP#2) assumptions applied in valuation model is as follows:

Condition of warrants	MPIC-ESOP#2
Average exercise price (Baht per share)	1.84
Exercise ratio (Unit per share)	1 : 1.00
Variable	
Fair value of warrant (Baht per option)	0.80
Volatility (%)	50.45
Dividend yield (%)	0.96
Weighted average share price at the granted date (Baht per share)	1.82
Expected option life (year)	5.00
Risk-free interest rate (%)	2.18

The Company recognised the value of warrants over the vesting period. As at 31 December 2019, no expense related to warrant is recognised.

24 Legal reserve

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
At 1 January	3,813,156	3,813,156	3,813,156	3,813,156
Transfer to deficit	(3,813,156)	-	(3,813,156)	-
At 31 December	-	3,813,156	-	3,813,156

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.

25 Contract liabilities

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

	Consolidated financial statements		Separate financial statements	
	2019	Restated 2018	2019	Restated 2018
	Baht	Baht	Baht	Baht
Contract liabilities				
- Current	17,794,910	15,986,769	-	500,000
- Non-current	-	-	-	-
Total contract liabilities	17,794,910	15,986,769	-	500,000

Revenue recognised in relation to contract liabilities

Revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

	Consolidated financial statements	Separate financial statements
	2019 Baht	2019 Baht
- Revenues from films production and film rights distribution	14,302,266	-
- Sales of goods	45,017	-
- Advertising income	1,639,486	500,000

26 Expense by nature

Significant expenses by nature carried out are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Staff costs	42,276,877	52,040,595	11,011,728	11,325,662
Depreciation on building and equipment (Note 15)	2,114,667	3,178,286	1,554,289	1,702,545
Amortisation of intangible assets				
- Film rights (Note 16)	247,328,252	172,157,289	-	-
- Computer software (Note 16)	218,719	157,539	118,380	134,843
Write-off intangible assets				
- Film rights (Note 16)	5,109,130	12,179,561	-	250,000
Impairment of assets (reversal)				
- Film rights (Note 16)	(5,157,737)	(9,129,042)	-	(250,000)
Bad debt and doubtful accounts	-	-	-	-
Impairment of inventories (reversal)	(182,121)	(4,872,650)	-	-
Provision for doubtful account on loans to subsidiary and related interest	-	-	-	332,348,342
Loss from impairment of film under production	10,000,000	-	-	-

27 Finance costs

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Finance costs				
Bank borrowings	2,445,523	3,214,253	-	-
Finance lease	1,204	14,830	1,204	14,830
Others	-	-	-	-
Total	2,446,727	3,229,083	1,204	14,830

28 Income tax

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
For the year ended 31 December				
Current tax	16,782,386	15,834,727	-	-
Deferred income tax:				
Origination and reversal of temporary differences	(4,632,812)	(3,147,505)	184,333	460,255
Income tax	12,149,574	12,687,222	184,333	460,255

28 Income tax (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (Loss) before income tax	27,971,672	(12,304,535)	4,461,674	(662,433,817)
Tax calculated at a tax rate of 20% (2018: 20% and 15%)	5,594,334	(2,590,915)	892,335	(132,486,763)
Tax effect of:				
Associate and joint ventures' results reported net of tax	5,094,560	1,248,439	-	-
Income not subject to tax	(4,400,000)	-	(4,400,000)	-
Expenses not deductible for tax purpose	175,315	4,854,397	22,134	35,694
Temporary differences in which no deferred income tax asset was recognised	4,835,221	5,581,205	1,760,941	133,403,628
Utilisation of previously unrecognised tax losses	101,081	(947,051)	101,081	(492,304)
Tax losses for which no deferred income tax asset was recognised	837,563	4,539,647	1,807,842	-
Unrealised (gain) losses from intercompany transaction	(88,500)	1,500	-	-
Tax charge	12,149,574	12,687,222	184,333	460,255

29 Profit (Loss) earnings per share

Basic profit (loss) earnings per share are calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of paid-up ordinary shares in issue during the year.

The basic profit (loss) earnings per share are calculated as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (Loss) (Baht)				
Net profit (loss) attributable to ordinary shareholders of the company	17,545,450	(25,283,656)	4,277,341	(662,894,072)
Weighted average number of ordinary shares outstanding (Shares)	1,300,119,176	1,300,119,176	1,300,119,176	1,300,119,176
Basic profit (loss) earnings per share (Baht per share)	0.01	(0.02)	0.00	(0.51)

The diluted profit (loss) earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. The share options a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings.

29 (Loss) earnings per share (Cont'd)

The diluted profit (loss) earnings per share are calculated as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (Loss) (Baht)				
Net profit (loss) attributable to shareholders of the company	17,545,450	(25,283,656)	4,277,341	(662,894,072)
Weighted average number of ordinary shares outstanding (Shares)	1,300,119,176	1,300,119,176	1,300,119,176	1,300,119,176
Adjustments for:				
The effect of dilutive potential shares	-	-	-	-
Weighted average number of ordinary shares for diluted (loss) earnings per share	1,300,119,176	1,300,119,176	1,300,119,176	1,300,119,176
Diluted profit (loss) earnings per share (Baht per share)	0.01	(0.02)	0.00	(0.51)

30 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.

The Company is a subsidiary of Major Cineplex Group Public Company Limited which owns 92.46% of the Company's shares (2018: 92.46%). All subsidiaries and associates of Major Cineplex Group Company Limited are considered as related parties.

30 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

i) Sales of goods/services and others

	Unit: Baht'000			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Management fee income				
Subsidiaries	-	-	14,400	12,000
Associate	290	30	-	-
Related companies	-	-	800	70
Joint operation	173	12	-	-
Joint ventures	840	840	840	840
	<u>1,303</u>	<u>882</u>	<u>16,040</u>	<u>12,910</u>
Sales of goods and services				
Parent company	58,521	36,320	-	-
Associate	54,284	-	-	-
Related companies	15,838	9,764	-	-
Joint operation	1,604	1,413	-	-
Joint ventures	5,941	2,801	-	-
	<u>136,188</u>	<u>50,298</u>	<u>-</u>	<u>-</u>
Advertising income				
Parent company	355	370	-	-
Subsidiaries	-	-	1,270	-
Associate	297	-	-	-
Related companies	49,850	40,390	200	3,450
Joint operation	90	1,035	-	-
Joint ventures	3,200	-	3,200	-
	<u>53,792</u>	<u>41,795</u>	<u>4,670</u>	<u>3,450</u>
Interest income				
Subsidiaries	-	-	3,706	11,832
Joint ventures	22	150	22	138
	<u>22</u>	<u>150</u>	<u>3,728</u>	<u>11,970</u>
Other income				
Subsidiaries	-	-	22,000	-
Associate	29	1,233	-	-
Joint operation	11	929	-	-
	<u>40</u>	<u>2,162</u>	<u>22,000</u>	<u>-</u>

In 2019, the company received payment from loan to subsidiary that was written off in 2017 of Baht 22.00 million.

30 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties: (Cont'd)

ii) Purchase of goods/services and others

	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Purchase of goods and services				
Joint venture	1,775	161	-	-
Advertising expense				
Parent company	1,355	878	-	-
Related companies	29	12	-	-
	1,384	890	-	-
Rental and service expenses				
Parent company	625	564	625	564

During 2019, the Group had been support for produce Thai films from ultimate parent company in totalling amount of Baht 64.47 million. These Thai films were released during the period and recognised as Cost of films production and film rights sold.

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 4.60% per annum
Management fees	Agreed prices as stipulated in the agreements

30 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties: (Cont'd)

iii) Outstanding balances arising from sales/purchases of goods/services and others

	Unit: Baht'000			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade accounts receivable (included in "Trade accounts receivable and other receivables")				
Parent company	79	125	-	-
Associate	13,158	-	-	-
Related companies	91	20	-	-
Joint operation	1,414	295	-	-
Joint ventures	5,566	2,788	1,102	-
Total trade accounts receivable	20,308	3,228	1,102	-
Accrued income				
Parent company	1,645	6,125	-	-
Associate	1,300	-	-	-
Related companies	368	1,246	-	-
Joint operation	735	599	-	-
Joint ventures	2,285	1,167	-	-
Total accrued income	6,333	9,137	-	-
Trade accounts receivable and accrued income, net	26,641	12,365	1,102	-
<u>Less</u> Allowance for doubtful account	-	-	-	-
Trade accounts receivable and accrued income, net	26,641	12,365	1,102	-
Amounts due from related parties				
Parent company	-	12	-	-
Subsidiaries	-	-	7,685	7,673
Associate	31	-	-	-
Joint operation	12	-	-	-
Joint ventures	54	3,347	-	20
Total amounts due from	97	3,359	7,685	7,693
<u>Less</u> Allowance for doubtful account	-	-	(7,348)	(7,348)
Amount due from related parties, net	97	3,359	337	345
Guarantee paid for rental and service (included in "Non-current assets")				
Parent company	1,253	1,253	1,253	1,253

30 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties: (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade accounts payable (included in "Trade accounts payable and other payables")				
Parent company	375	1,992	-	-
Associate	3,113	-	-	-
Related companies	35	68	-	-
Joint operation	1,270	-	-	-
Joint venture	12,013	5,620	-	-
Total trade accounts payable	16,806	7,680	-	-
Amount due to related parties				
Parent company	12,290	24,305	135	56
Associate	17,290	-	-	-
Joint operation	50	839	-	-
Joint venture	355	6,248	-	-
Committee	1,101	1,071	1,101	1,071
Total amount due to related parties	31,086	32,463	1,236	1,127

iv) Short-term loans to related parties

	Unit: Baht'000			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Subsidiaries				
At 1 January - net	-	-	191,000	542,000
Loans made during the year	-	-	32,500	65,000
Loans repaid during the year	-	-	(21,900)	(91,000)
<u>Less</u> Allowance for doubtful account on loans to subsidiary	-	-	-	(325,000)
At 31 December - net	-	-	201,600	191,000
Joint venture				
At 1 January	1,304	5,000	1,304	5,000
Loans made during the year	-	10,804	-	5,804
Loans repaid during the year	(1,304)	(14,500)	(1,304)	(9,500)
At 31 December	-	1,304	-	1,304
Total short-term loans to related parties	-	1,304	201,600	192,304

30 Related party transactions (Cont'd)

iv) Short-term loans to related parties (Cont'd)

Loans to subsidiaries are unsecured and carry interest at the rate of 2% per annum (2018: 2.00% per annum and 4.10% per annum) and are due at call.

Loans to joint venture are unsecured and carry interest at the rate of 4.60% per annum (2018: 4.60% per annum) and are due at call.

In 2018, the Company set allowance for doubtful account on loan and interest from loan to subsidiary in full amount of Baht 332.35 million (included interest amount of Baht 7.35 million).

v) Key management compensation

The compensation paid to key management for employee services for the year ended 31 December is shown below.

	Unit: Baht'000			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	6,701	7,695	1,714	1,448
Retirement benefit by law	122	369	73	224
Post-employee benefits	5	56	4	50
Other long term benefit	1	14	-	-
	6,829	8,134	1,791	1,722

31 Commitments and contingencies

i) Operating lease commitments - where a Group Company is the lessee

As at 31 December 2019, the Company and its subsidiaries had commitments in respect of long-term lease of land, buildings and service contracts to a related party and third parties. The future aggregate minimum lease and service payments under non-cancellable contracts are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Not later than 1 year	0.09	0.46	0.09	0.08
Later than 1 year but not later than 5 years	0.19	0.05	0.19	-
Total operating lease commitments	0.28	0.51	0.28	0.08

ii) Commitments from purchase of film rights

As at 31 December 2019, the Group had commitments in respect of purchases of film rights amounting to USD 0.30 million payable within two years (2018: USD 0.78 million).

iii) Commitments from film productions

As at 31 December 2019, the Group had commitments under film production agreements, advertising and programme broadcasting agreements with various film directors and other companies. The Company is committed to pay the amounts as stipulated in related agreements totalling Baht 90.85 million (2018: Baht 68.36 million).



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